

The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, FEBRUARY 19, 1932

FEB 19 1932

ANNOUNCEMENT

The Buffalo Mutual Life Insurance Company, formerly Buffalo Life Association, has been reincorporated as a mutual life company and chartered to transact business on the old line legal reserve basis.

All standard and sub-standard forms of contracts written on men, women and children including five special forms which meet today's demands for life insurance.

Agency contracts are liberal both for first year and renewal commissions and effective training methods will be provided. Capable men are offered an excellent opportunity to become Branch Managers.

Branches to be established in New York, Syracuse, Albany, Rochester, Buffalo, Columbus, Cleveland, Cincinnati, Dayton, Canton and Toledo.

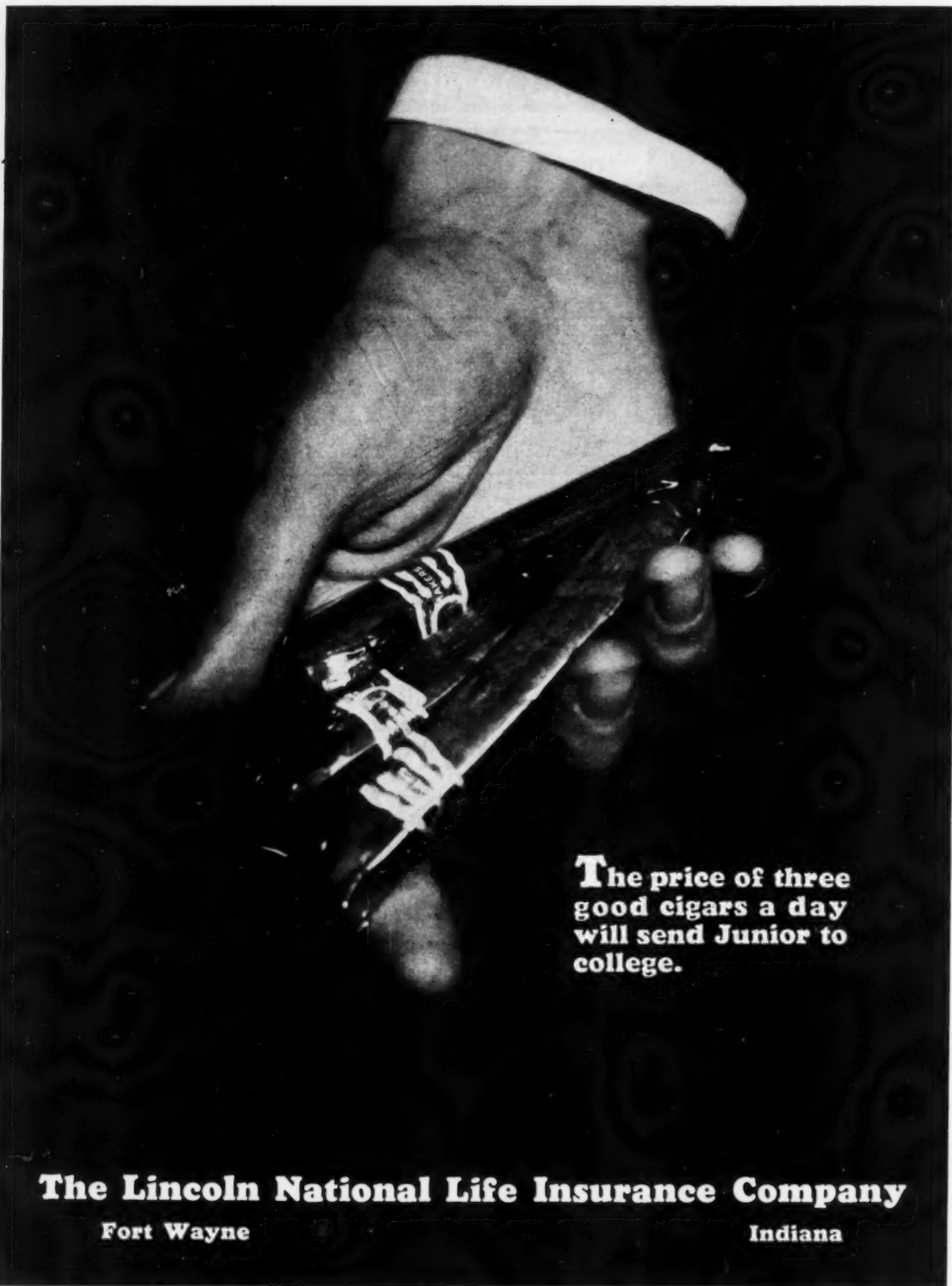
JOHN M. HULL
President

FRANK F. EHLEN
Director of Agencies

BUFFALO MUTUAL LIFE INSURANCE COMPANY

Founded 1872

BUFFALO, N. Y.



**The price of three
good cigars a day
will send Junior to
college.**

The Lincoln National Life Insurance Company
Fort Wayne Indiana

The Juvenile Educational Endowment policies of our Company are issued on the life of the child and thereby provide the funds for the child's college education whether the parent lives or dies If the parent dies prior to the maturity of the policy, future premiums are waived.

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The National Underwriter

LIFE INSURANCE EDITION

Thirty-Sixth Year No. 8

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, FEBRUARY 19, 1932

\$3.00 Per Year, 15 Cents a Copy

Urges Agents to Support Bankers

President Stevens of Illinois Life Counsels Against "Whispering Campaign"

IS DANGEROUS PRACTICE

Sees Process of Putting Life Companies in Banking Business—Green Signal Club Meeting

The "whispering campaign" against banks should be ended for the sake of the common welfare, R. W. Stevens, president Illinois Life, told members of the Green Signal Club of that company in annual convention at Chicago. The country cannot get along without banks, he said. They must be preserved.

Mr. Stevens said many agents have been urging prospects to buy single premium life insurance rather than to leave their money in bank accounts. He urged that the sale of single premium policies on this basis be discontinued.

Banks Are Essential

"The country cannot function without banks," he said. "People cannot borrow the money which they need without them. The banks must be sustained. Hundreds, perhaps thousands of banks which closed would not have had to do so if they had been treated right."

"The legal reserve life insurance system is not built on the banking plan but rather on the basis of long term investments. But now every time a bank fails the life insurance companies doing business in the community are put into the banking business through the heavy policy loans which their policyholders are forced to make as a direct result of having their funds tied up in bank failures. This is a business which we are not organized to transact."

Agents Logical Medium

"The life agents are the best propagandists to bring this country back to prosperity, and support of the banks is one essential in this program. There is no use kidding ourselves, things are not bright. But hard work and courage will enable us to wriggle through. The only problem is to find people with money to buy policies. The money is here. Tell the people to keep their money in the banks. Let's get out and boost each other and the whole financial system."

Mr. Stevens said many life insurance agents have become stock-minded. "Let's get away from it and attend to our own business," he said, "and help every other business man to carry on. The life insurance agents are the most powerful influence in this country today. They come in contact every day with many people. The best thing you agents could do is to tell your prospects

Kentucky Commissioner Is Dangerously Hurt by Gun

IN ATTEMPT TO KILL SELF

Pressure of Financial Worries and Condition of Allin's Bank Are Seen as Cause

LOUISVILLE, Feb. 18.—Bush W. Allin, Kentucky insurance commissioner, 60 years of age, is dangerously wounded, but with a slim chance of recovery, as a result of an effort at suicide yesterday morning with a shotgun in a hardware store at Harrodsburg, Ky., his home town. Entering the store, he walked to a gun rack, placed a shell in a 12-gauge, single barrel gun and fired at a point just above his heart. The charge ranged upward through the shoulder.

Worried Over Bank Condition

Mr. Allin had been desperately worried over the condition of the First-Mercer National bank of Harrodsburg, of which he was president, and which, following heavy withdrawals, on Feb. 15 limited customer withdrawals to 5 percent of checking account balances per month. The First State Bank & Trust Co. took similar action.

Mr. Allin was also seriously worried over investments made by friends at his suggestion. He had been on the verge of a breakdown for several days and had been exceedingly nervous.

Was a Local Agent

He was an insurance agent in Harrodsburg prior to being named insurance commissioner about three years ago to succeed S. M. Saffley. He was also president of the Burley Tobacco Growers' Cooperative association, a director of the D. T. Bohon Co., mail order house; Harrodsburg Ice & Produce Co., and a member of the board of education.

constantly that conditions are all right. Let us all do all we can to instill confidence in ourselves and others, because with confidence in all the other institutions gone we are gone too."

Harbaugh New President

T. Jay Harbaugh, east central Illinois agency at Champaign, new president of the club, was introduced by E. H. Steffelin, retiring president, and took the chair. Mr. Harbaugh said many life insurance salesmen close their rate books when a bank failure occurs in their neighborhood, but he had found such a community the best place to sell life insurance. He said there is just as much money in this country today as ever and it is the man who finds it who succeeds now.

He sees this as a year of great opportunity in building up agency organization because of the able men out of jobs who are fine prospects for agency contracts.

Thor Norberg and W. T. Whitehead of the home office agency are vice-president and second vice-president of the club; J. E. Polka, Chicago southwest agency, third vice-president, and as usual, R. W. Stevens, Jr., secretary.

A round table discussion on field pro-

Busy Sessions Planned for San Francisco Convention

TENTATIVE PROGRAM IS OUT

Managers and Millionaires Meet Tuesday—Main Meeting Starts That Afternoon—Thursday to Recreation

SAN FRANCISCO, Feb. 18.—The tentative program for the annual convention of the National Association of Life Underwriters, to be held in San Francisco the week of Aug. 15, as outlined by Roger B. Hull, managing director, working with Otto L. Zeus and Thomas A. Cox, general co-chairmen of the convention committee, and sub-committee chairmen, during Mr. Hull's recent visit to San Francisco, provides for five business sessions, an all-day managers' meeting, the usual million-dollar round table, a reception and dance and one whole day devoted to recreation.

The present setup of the program is as follows:

Sunday, Aug. 14, trustees' meeting. Monday, Aug. 15, executive committee meeting all day.

Tuesday, Aug. 16, all-day managers meeting and million-dollar round table, starting with a breakfast.

The first regular convention session will get under way at 1:30 p. m., Aug. 16, and it is planned to have the principal address of that session about 4 p. m. so that the million-dollar producers and managers may be in attendance if they desire, without interfering with their group sessions. Two full business sessions will be held Wednesday, Aug. 17, followed by a reception and dance in the evening.

No Sessions on Thursday

All day Thursday, Aug. 18, will be devoted to a sight-seeing trip on both sides of the bay, a performance in the Greek theater at Berkeley, followed by a barbecue at Sequoia Redwood Park and a trip across the bay bridge to Stanford University.

The two final sessions of the convention are to be held Friday, Aug. 19.

Mr. Hull expressed himself as very much pleased with the work already accomplished by the joint committees of the San Francisco and East Bay associations. The executive committee includes Arthur S. Holman, Ben F. Shapro, Dr. E. L. Woodruff and Otto L. Zeus, San Francisco; Thomas A. Cox, Leon Campbell, Ed Durrel and Ben F. Edwards, East Bay association.

grams was interesting. One suggestion was to have several months of special effort during the year to cure slumps agents advising the prospects well in advance that they are going to come around during those months to get the application. This serves to prepare the prospect and give notice.

James W. Stevens, chairman of the board, was presented in the afternoon session by R. W. Stevens. C. F. Merrifield, agency organizer home office, said agents are seeing enough people but they are not talking enough life insurance to them. He believes every per-

(CONTINUED ON PAGE 11)

Utility Bonds Can Stand Hard Knocks

Holdings in Operating Companies Are of Highest Order

PROF. BONBRIGHT QUOTED

Roosevelt's Public Utility Attitude No Threat to Safety of Bonds, Expert Says

By R. B. MITCHELL

NEW YORK, Feb. 18.—The pronounced increase in the public utility investments of life insurance companies and the possibility that power company regulation may be an important issue in the coming presidential campaign make the future of public utility companies a subject of great interest to officials, stockholders and policyholders of life insurance companies.

Prof. J. G. Bonbright of Columbia University, secretary of the New York Power Authority, when asked his opinion of the future of utility companies, said that he believed the bonds of operating companies are as sound a class of investments as there is outside of United States and municipal government bonds. So much cannot be said for holding company bonds. The situation, except for the strongest of this class, is such that it would not take a great deal in the way of rate reductions to cause them to stop paying interest on their bonds. Holding company securities, however, do not form any substantial part of the public utility investments of life companies.

Bondholders Are Secure

Even allowing for the most drastic developments conceivable in the way of regulation, operation, or competition from governmental sources, there are only a few instances in which the bonded indebtedness of an operating company is so large as to imperil the bondholders' security.

Even the two most remote contingencies, government operation and government competition, are not fraught with any particular danger to the investor in operating company bonds. Government operation, through condemnation of plants now privately owned, would undoubtedly result in the courts fixing a price which would be ample to pay the bondholders in full and in many cases give the stockholders more for their stocks than they could have obtained under continued private management.

The second possibility, that of government competition, might have more serious consequences. This would force the private company to compete directly with the state or city-owned plant and furnish current at a very low

(CONTINUED ON PAGE 11)

New York Life Announces Eight Field Appointments

COONEY SOUTHERN INSPECTOR

**Munsell Atlantic Head—Flood in Charge
of Allegheny Territory—Conley
Gets South Central**

NEW YORK, Feb. 18.—The New York Life has announced eight new field appointments. R. L. Cooney has been made inspector of agencies, southern department, Atlanta. His territory includes branch offices in Atlanta, Charlotte, Florida, Norfolk, Richmond, Savannah and South Carolina. Mr. Cooney started with the company in the New Orleans branch office more than 50 years ago. In 1885 he was made cashier in the Atlanta office and has been in executive field positions since that time.

F. S. Munsell has been made inspector of agencies in the Atlantic department, succeeding G. W. Long, retired. His headquarters are in Philadelphia and he has charge of four branch offices in Philadelphia and branch offices in Baltimore, Reading, Scranton, Trenton, Washington and Wilmington. Mr. Munsell joined the company in Chicago in 1896 and has been with the company in Idaho, Honolulu, Tacoma, Pueblo, Nevada, South Carolina and Baltimore.

Heads Allegheny Department

M. B. Flood has been made inspector of agencies of the new Allegheny department with headquarters in Pittsburgh. The new department covers Columbus, Erie, Harrisburg, Johnstown, Pittsburgh, West Virginia and Youngstown. Mr. Flood joined the New York Life in Kansas City, Mo., in 1904. In 1924 he became supervisor in the Atlantic department, holding that position until his present advancement.

H. H. Conley has been promoted to be inspector of agencies in the new south central department with headquarters at Little Rock. The new department includes Knoxville, Little Rock, Memphis, Nashville and Shreveport. Mr. Conley began as a branch office clerk in San Antonio in 1904. Since 1927 he has been supervisor of Division 1 of the Gulf department.

R. S. Minier has been made inspector of agencies of the gulf department with headquarters at New Orleans, his territory including Birmingham, Jackson, Mobile, Montgomery and New Orleans. Mr. Minier joined the company in Rochester, N. Y., in 1903. Since 1927 he has been supervisor in charge of Division 2 of the gulf department.

Supervises Division

R. L. Campbell, formerly supervisor-at-large, has been made supervisor of Division 1, eastern department, which includes Albany, Connecticut, Montreal, Poughkeepsie, Syracuse, Watertown and the eastern department-branch office in New York city. He joined the New York Life in 1910.

W. B. Smith, since 1928 agency director of the Buffalo branch, has been made supervisor of Division 2 of the eastern department, which includes Buffalo, Binghamton, Rochester and Toronto. His headquarters will be at Buffalo. Mr. Smith began as a clerk in the home office in 1908.

Headquarters in Des Moines

O. R. Carter, formerly supervisor-at-large at Des Moines, has been made supervisor in charge of the new midwest department, which includes Decatur, Des Moines, Nebraska, Sioux City, South Dakota and Waterloo. His headquarters will be in Des Moines. Mr. Carter joined the company as a clerk in the Little Rock branch office in 1911. In 1929 he was supervisor-at-large in Shreveport, later having his headquarters transferred to Des Moines.

Report 6.4 Per Cent Gain in January Paid Business

NEW YORK, Feb. 18.—Life insurance registered a 6.4 percent gain in January over the same month last year, according to the Life Presidents' Association. This increase followed an advance of one-half of 1 percent last December as compared with December, 1930, which was the first gain in the monthly volume of new production in 18 months, in comparison with the corresponding months of the previous year.

New paid-for business last month was \$944,848,000 as against \$883,335,000 in January, 1931; ordinary insurance, \$615,376,000 against \$595,652,000, a gain of 3.3 percent, and industrial \$217,532,000 against \$214,320,000, a gain of 1.5 percent. Group showed the greatest percentage gain, with \$111,920,000 against \$78,363,000, an increase of 42.8 percent.

The amounts of new paid business, by classes, in 44 American companies for January, 1931 and 1932, with percentage increases or decreases (excluding revivals, increases and dividend additions), are shown in the following table:

	1931	1932	Over	Pct.
Ord.	\$595,652,000	\$615,376,000	19.7	3.3
Ind.	214,320,000	217,532,000	3.2	1.5
Group	78,363,000	111,920,000	33.5	42.8
	\$883,335,000	\$944,848,000	61.5	6.4

Decide on Agreement Basis In A. I. U., Inc., Controversy

A basis for settlement of the controversy over the control of the American Insurance Union, Inc., of Columbus has been decided upon by Albert F. Coyle, executive vice-president, and the Transcontinental Trust Company of Chicago, whose interests have collided.

Three members of the board of the A. I. U., Inc., have resigned. They are D. J. Heck, who is superintendent of the A. I. U. printing plant, H. T. Wolfe and C. L. Jordan.

If, by Saturday of this week, Mr. Coyle can meet the terms of an agreement with the Trans Continental Trust Company, to which he subscribed, Mr. Coyle will have the privilege of filling the three vacancies. If not, the vacancies will be filled by the Trans Continental Trust Company.

At a meeting of the board last week, in accordance with a resolution introduced by Mr. Coyle, the American Insurance Union, Inc., certified to the

Interesting Program for New York Sales Congress

EVENT AT ASTOR MARCH 10

**Lowell Thomas, Explorer, and Noted
Casualty Company Manager to
Speak at Dinner**

NEW YORK, Feb. 18.—The New York City Life Underwriters Association will hold its 12th annual sales congress and 46th annual banquet March 10 at the Hotel Astor. Banquet speakers will be Lowell Thomas, famous explorer and lecturer, and U. S. Manager Frederick Richardson of the General Accident.

Addresses at the sales congress will be:

"The First Dozen," C. D. Connell, general agent, Provident Mutual, president New York association.

"Our Selling Theme—Necessity or Desirability—Which?" H. J. Johnson, general agent, Penn Mutual, Pittsburgh.

"Sales Resistance Demonstration," L. F. Paret, general agent, and E. R. Summer, Provident Mutual, Philadelphia.

"The Black Shadow," R. C. Ellis, general agent, Home Life of New York, New York.

"The Unique Position of Life Insurance Under Section 55A as an Investment," Albert Hirst, counsel New York State Life Underwriters Association.

"My Best Selling Idea," ten five-minute talks by C. B. O'Connell, Aetna Life; E. V. Carbonara, State Mutual; J. H. Brady, Guardian of New York; F. L. Lane, Home Life of New York; W. M. McDaniels, National of Vermont; F. U. Levy, Penn Mutual; R. J. Manheimer, Equitable of New York; A. V. Youngman, Mutual Benefit; G. L. Hill, Northwestern Mutual; N. M. Way, Canada Life.

"Life Insurance—the Great Stabilizer," W. B. Bailey, economist, Travelers.

Ohio department \$100,000 additional capital. It will be recalled that the Trans Continental Trust Company recently purchased about 10,000 shares of A. I. U., Inc., stock at \$15 a share, making available \$100,000 for additional capital and \$50,000 for additional surplus. But Coyle contested the sale and the additional capital was not certified to the department. The stock which the Trans Continental Trust Company purchased was in Coyle's name but was assigned to the Trans Continental Trust Company as collateral for a loan to Coyle.

In the agreement, Coyle is given until Saturday of this week to redeem his loan with the Trans Continental Trust Company.

Estate Estimated At Half Billion Is Only \$135,000,000

Fine canvassing material is embodied in a report on tax transfer appraisal of the supposed half-billion dollar estate of the late Thomas Fortune Ryan, financier, showing that it has depreciated since his death in November, 1928, to a net value of \$135,164,110. The full effects of the stock market crash and business depression are reflected here for the original estimated value was taken near the peak of investment values. Gross value, according to the appraisal, is \$141,824,497. The Ryan estate remains as the second largest ever appraised in New York.

Estate Taxes 25 Million

Federal and state estate taxes total \$25,055,659. The United States tax is \$5,011,131, transfer tax is \$9,241,187 and the remainder of the \$25,000,000, except for small amounts levied on property in Virginia, goes to New York State.

Funeral and administration expenses were set down at \$1,732,549; debts, \$4,929,733, mostly in the form of loans. Legal fees were \$1,400,000 for administration, and \$81,400 was spent for a mausoleum.

Principal assets included \$126,646,313 in stocks and \$484,975 in bonds. There was \$1,120,234 cash. Appraisal shows that much of the long list of stocks has only about half the value shown in 1928.

New York Assembly Hears Tribute to Life Insurance

In his report to the legislature Monday evening, in which legislation affecting non-life companies was recommended, Superintendent Van Schaick of New York paid a notable tribute to life insurance.

"Life insurance," he told the legislature, "has emerged from the most critical year in the history of the country with an experience which establishes it on a more solid foundation than ever before. Life insurance contracts have been worth 100 cents on the dollar." He pointed out that nearly one billion dollars were paid on American claims in 1931. About 11 billions of new insurance were written by the companies authorized in New York state.

Mr. Van Schaick reported at the end of 1931 there were 903 active organizations under the supervision of the department as compared with 927 at the opening of the year. The trend towards merger, which was noticeable in 1930, continued in 1931.

Makes Recommendations

Commissioner Van Schaick recommended to the legislature that section 9 of the general corporation law be amended to prohibit the use of the word "endowment" by non-moneyed corporations. Endowment, he said, is associated by the public with insurance. Several private companies, he said, with insurance features and without supervision by the department have applied the word endowment in their title with resultant confusion to subscribers and to the public.

Mr. Van Schaick also recommended passage of a law to provide a cash surrender value of industrial insurance at the end of five years. During the past year, he said, many industrial policyholders have complained to the department that the terms of their policies were harsh and there was no protection during emergency.

He recommended amendment of the banking laws to provide that moneys deposited by the superintendent as liquidator shall be preferred on an equal basis with other preferred deposits.

Buffalo Mutual Life Officials



JOHN M. HULL
President



FRANK F. EHLEN
Director of Agencies

Buffalo Life Now Is Legal Reserve

Name of the Company Has Been
Changed to the Buffalo
Mutual Life

HAS HAD A LONG CAREER

Two Main Factors in Management Are
President John M. Hull and Agency
Director F. F. Ehlen

The Buffalo Life Association of Buffalo, N. Y., has reincorporated as an old line legal reserve company, taking the name of the Buffalo Mutual Life and operating under the laws governing mutual companies of New York. The Buffalo Life has had a long and satisfactory experience. It is a company that has always borne an excellent reputation. Its financial statement as of Dec. 31 shows that it has ample resources, adequate reserves and sufficient surplus. Its assets are \$1,181,371. It has bonds amounting to \$617,605. Its owns its home office building in Buffalo which is carried at \$130,000. It has in bank cash \$154,996. The average yield on its bond investments was 5.2 percent last year. Its mortgages amounted to \$26,000 bearing 6 percent interest. Its management expenses last year were reduced over 20 percent. It has \$25,000,000 insurance in force. It started on its new basis Monday of this week.

Developing Two States

The field organization is being operated on the branch manager basis from New York City, Syracuse, Albany, Rochester, Buffalo in New York and Columbus, Cleveland, Cincinnati, Dayton, Canton and Toledo in Ohio. Its plan is to first develop New York and Ohio and gradually advance to adjacent states.

The two main factors in the company are President John M. Hull and Director of Agencies Frank F. Ehlen. Mr. Hull is general manager of the company. He has been associated with it for 15 years, first as vice-president and general counsel and then was elected president in January, 1931. He is a leading attorney in Buffalo and is widely known in western New York. He is a director of many leading enterprises in his city. He has shown himself to be a very capable executive.

Ehlen Had Fine Experience

Mr. Ehlen joined the company May 1, 1931, and has been valuable in the transfer of the company to an old line institution. He has had 19 years' experience in the business. He started as an agent for the Equitable Life of Iowa in Chicago and then became connected with the Otis A. Hann Company of that city for 11 years. He became vice-president and assistant field supervisor of the Hann Company. In this position he had much experience in conservation work and other phases of the business. He joined the Columbus Mutual Life as agent and then went to the American Insurance Union to assist in the reorganization of that company.

Company Started in 1872

The Buffalo Mutual Life was originally incorporated in 1872 as the Masonic Life of Western New York. Its function was to furnish Masons with pure protection insurance. Originally it depended for its income on assessments called at the time of a member's death. In 1885, N. O. Tiffany, Sr., be-

(CONTINUED ON PAGE 10)

New Men Put on As Inflation Seen

Many General Agents Are Adding
to Man Power of Their
Offices

BELIEVE TIME IS RIPE

Those Who Have Been Holding Staffs
Down Are Jumping on Band
Wagon

In the belief that a period of inflation is imminent in the United States, the government apparently being in a mood to liberalize the credit structure and the Reconstruction Finance Corporation now being in operation, many general agents in the larger cities, who have been deferring adding to the man power of their offices for a year or a year and a half, are now preparing to put new men under contract.

It is well known that during the depression new organization has been the great white hope of many general agencies. New men have been more amenable to instruction in modern technique; they have not suffered from being in a groove and as a rule they have been more enthusiastic than the old timers, many of whom have become discouraged. However, this has not been universally true. Some general agents have been disappointed in new men put under contract in the last two years and their experience with new organization has been expensive. Especially has this been so when a general agent has been a proselyter of men accustomed to a high standard of living, college graduates, etc. Many men of that type have been available and they have been taken on.

Plenty of Desire

However, there is no gainsaying that it has been exceedingly difficult for new men in the last year or year and a half to earn a substantial income. Men of attainment, whose contacts are with persons ordinarily in a position to pay for substantial amounts of insurance, have found those contacts not nearly so valuable as they had perhaps anticipated. There is no dearth of prospects with a desire for life insurance. One general agent, for instance, estimates that a desire exists or can easily be created in six out of ten persons today,

Much New Business Is Received from Old Policyholders

New York led the states for the Northwestern Mutual last year in new business, its figure being \$42,738,620. Of this amount 54.10 percent was written on former policyholders. Next came Illinois with \$34,934,590 with 55.89 percent on old policyholders. Wisconsin was third with \$26,209,000 with 54.07 percent. Pennsylvania came next with \$23,174,650 with 45.87 percent. Ohio followed with \$20,185,050 with 50.56 percent. Michigan followed with \$17,791,550 with 52.60 percent. Minnesota came next with \$12,451,000 with 53.23 percent. Iowa showed \$11,171,310 with 52.08 percent and California had \$10,810,634 with 52.64 percent.

Of the \$296,255,502 paid for last year, 51.91 percent was on existing policyholders.

New York has \$576,136,724 insurance in force, Illinois \$453,495,404, Wisconsin \$360,564,255.

but the proportion of people with a capacity to buy is much less, being say one out of ten.

The job of nursing new men through their first few months has been unusually great. It has been expensive, too, for many of the new men, although of high standing, are those whose reserves were depleted when they entered life insurance or were already in debt. They soon became a financial burden.

Many general agents have practiced the greatest restraint, being tempted by the wealth of available material to add to their force. They have deemed it wiser to wait until there was pretty definite indication that improvement had set in before putting new men under contract, or until they could see improvement in the not distant future, perhaps three months away. Some agency operators called this turn too soon and the experience of many of them has been disappointing.

Bull Market Seen

Practically all insurance people feel that as soon as conditions begin to improve there will be the greatest bull market in life insurance ever witnessed. The public has unbounded confidence in life insurance. They have learned that it is depression proof. The popular conception is that life insurance is the one business that has stood up under the depression. The public, it seems, has even an exaggerated opinion of the good fortune of life insurance. The ordinary buyer is not familiar or has given little

(CONTINUED ON PAGE 10)

Realistic View of Insurance Urged

Idle to Say Business Is Depression
Proof, Executive
Says

OSTRICH POLICY NO CURE

Life Company Statements Less Disturbing
Than Those of Other Corporations But Not Immune

New York, Feb. 18.—Life companies' annual statements are far less disturbing than those of other corporations generally but life insurance should not and cannot expect to be totally immune from what is happening in the rest of the business world, according to an executive who is a close student of life insurance conditions.

"Life companies' statements are no better and no worse than I would expect them to be under the circumstances," he said. "It is idle to talk about life insurance being 'depression-proof.' We cannot overlook the depression and the fact that it is an extremely serious one. There is no reason why life insurance shouldn't suffer from present economic conditions and it has suffered. Business is harder to get; demands for loans and cash values are more urgent; suicide claims are heavier; investment values have shrunk.

"As to increases in policy loans as shown by annual statements, of course they will be large. And if they result in heavy surrenders, what is the use of worrying about that? We are dealing with hard facts. You cannot cure a situation by saying things are not so when they are. People are up against it. They are not borrowing for stock market speculation or wasteful spending, the way they were in 1928 and 1929. They are salvaging their families.

"I don't view the increase in policy loans as serious. I am inclined to look at this from the point of view of the individual policyholder. Policy loans have done a lot of good. They have emphasized a valuable feature of life insurance. The way that policy loans have come to the rescue will be a good advertisement for life insurance in the future.

"A very serious aspect of the present (CONTINUED ON PAGE 10)

FIGURES FROM DECEMBER 31, 1931, STATEMENTS LIFE COMPANIES

	Total Assets	Capital	Surplus	New Bus. 1931	Inc. in Force Dec. 31, 1931	Gain in Inc. in Force	Prem. Income 1931	Total Income 1931	Benefits Paid 1931	Total Disburse. 1931
Boston Mutual Life, Mass.	11,161,682	.....	527,194	34,106,214	71,139,902	2,803,610	3,100,874	3,751,002	1,848,450	3,481,633
Canada Life	204,394,009	1,000,000	2,179,227	119,027,734	1,026,400,026	15,150,929	28,370,111	51,711,803	25,584,206	36,332,653
Colorado Life	3,221,124	100,000	301,137	18,486,018	30,334,560	6,060,290	870,657	2,320,806	248,988	1,552,707
Columbia Life, O.	4,621,127	200,000	224,571	9,637,589	33,331,682	6,178,531	521,414	1,153,882	530,418	824,672
Farmers & Traders	5,349,079	300,000	263,931	6,629,242	37,075,550	916,055	987,679	1,266,090	367,058	704,125
Gibraltar, L. & A., Col.	166,323	100,000	20,113	1,106,250	.....	1,106,250	44,400	153,759	.....	124,600
Guaranty Life, Ind.	6,915,116	200,000	145,840	8,651,841	48,847,193	5,162,805	1,203,332	2,094,639	840,907	1,415,398
John Hancock Mut.	621,278,133	.....	43,825,816	265,847,941	1,940,049,023	82,253,096	126,493,268	159,953,291	87,575,123	124,785,026
Lincoln Liberty, Neb.	3,668,498	100,000	191,401	6,115,435	24,235,354	710,749	1,087,682	1,293,105	244,310	662,691
Manhattan Mut. Kan.	836,171	.....	82,309	757,000	6,661,199	—674,000	183,759	233,954	44,370	152,857
Massachusetts Mut.	426,899,037	.....	17,280,410	228,816,219	2,158,552,605	61,821,890	73,191,816	108,335,641	50,162,229	73,500,252
Northw't'n L. & A., Wash.	8,029	150,000	.....	269,500	1,484,000	—60,500	43,932	59,037	4,213	36,647
Sam Houston Life	179,588	100,000	72,094	1,492,550	1,095,000	.....	21,806	3,966	.....	27,217
San Jacinto Life, Tex.	2,841,203	400,000	25,061	8,037,532	27,064,529	1,942,244	615,565	795,572	294,169	729,537
Security Mut., Neb.	5,142,345	.....	213,508	6,451,161	22,530,855	1,184,000	814,028	1,135,683	514,404	845,281
Security Mut., N. Y.	21,375,115	.....	660,515	14,218,624	112,585,659	5,906,461	3,490,502	4,867,236	2,716,899	4,900,739
Southeastern Life, S. C.	4,398,196	200,000	147,735	14,824,321	46,290,750	1,651,057	963,127	1,334,936	741,150	1,206,656
Southern Aid Soc., Va.	957,499	150,000	255,291	2,604,466	6,262,039	—196,643	643,914	725,163	337,920	716,817
Sun Life, Can.	622,594,718	2,000,000	20,367,501	527,939,214	3,021,035,990	200,253,124	152,500,705	203,864,729	93,235,849	146,460,176
Texas Life	6,225,677	200,000	201,563	3,506,360	28,438,049	—2,784,186	812,169	1,133,835	777,489	1,092,440
Western & Southern	124,861,182	10,000,000	8,251,779	260,762,367	765,540,996	12,106,883	26,687,372	32,992,610	12,263,793	23,549,970
Wisconsin Natl.	7,135,680	400,000	414,011	6,617,605	43,836,407	—431,879	1,139,324	1,489,158	702,847	1,113,391

1. Life and accident.

2. Ordinary only. Ind. \$314,957,103; Gr. \$43,327,016.

3. Ordinary only. Ind. \$1,407,739,969; Gr. \$265,091,308.

4. Ordinary only. Ind. \$24,364,950; Gr. \$11,960,110.

5. Includes \$1,813,370 annuities.

6. Includes Casualty Department.

7. \$250,000 special funds not included.

Illustrative of the high public regard for life insurance companies is the story of the laborer, clad in a tattered army coat, who went to the S. C. Woodard office of the Home Life of New York in Chicago last week to pay \$250 in cash on a loan on a \$1,000 policy. He told the cashier that he might have need of that money in a few weeks and he wanted to put it where he was sure he could get it when he wanted it. Mr. Woodard surmised that the laborer had taken the money out of a bank, being worried by failures, and was virtually using the insurance company as a depository.

Twisting on Big Scale This Year

Situation Is Declared Worst in History of Life Insurance Business

PRODUCT OF DEPRESSION

Leaders Are Alarmed at Spread of Practice Outside Ranks of Professional Twisters

Disquieting reports come from many parts of the country that twisting, an old practice always the cause of considerable concern, after having been offered the supreme opportunity during the period of the stock crash and business depression now is practiced on a larger scale by more life agents than ever before in the history of the business.

Twisting, it appears, has gone through several stages in recent years to the most dangerous one of all in which it is being practiced not so much by the professional twister of negligible ethical standards, with his low cost insurance and separate investment portfolio arguments, but by many persons in the rank and file of the profession under the theory that the policyholder benefits.

Cash Values Life-Savers

Early in 1929 when stock values were soaring and every one who was in the market confidently expected to become independently wealthy, there was a strong incentive to drag down cash values in order to multiply them manifold in speculation. With the stock slump came the period of desperation when cash values were life-savers to preserve the last vestiges of melting fortunes.

In both of these periods the professional twisters were in "velvet," having almost more of this business than they could do. Low cost insurance was substituted in tremendous volume. Thousands of persons who did not meet or would not listen to twisters nevertheless made maximum policy loans, placing their insurance in jeopardy, and creating the exact condition best suited for one of the twister's strongest arguments: Why pay a double premium on a reduced amount of insurance?

Peculiar Appeal Lost

But the continued slump of all other investments save life insurance deprived the professional twister of one of his strongest appeals by which he caused policyholders to drag down cash values—the possibilities of large returns on separate investments as compared with the small investment return in life insurance.

For a time it seemed as if the twisting situation in this country were getting in hand. Underwriters' associations got busy and brought pressure. In many sections, especially in Chicago, they were highly successful against the better known twisters, forcing them to return commissions on twisted business and securing cancellation of the substituted policies and reinstatement of the original ones.

More Insidious Trend

But all the while the present far more insidious and dangerous situation was developing, fostered to some extent by the growing realization that something radical had to be done about much of this insurance carrying maximum or

(CONTINUED ON PAGE 11)

FIDELITY FACTS

December 31, 1931

Insurance in force.....	\$423,345,198
Payments to policyholders and beneficiaries—	
During 1931	11,518,546
Since organization	146,528,764
Paid to and held in trust for policyholders.....	244,194,499
Total assets	98,138,711
Total liabilities	92,637,567
Surplus	5,501,144

Gain in last five years—

Income	25.94%
Assets	38.49%
Surplus	37.44%

STRONGER THAN EVER

In 1931—one of the worst years in modern times—Fidelity Mutual actually strengthened its financial position.

It had the lowest mortality ratio in its experience—54.8%. It increased both its assets and its surplus. It made necessary adjustments in its investment valuations and maintained the highest dividend scale in its history.

It will continue that scale in 1932.

It operates in thirty-nine states, including New York, and has room in its field force for men of the right type.

ASSETS

Business and residential mortgages	\$37,286,183.47
Policy Loans	20,231,189.43
R. R. and R. R. Equipment Bonds	12,393,192.84
Public Utility Bonds	11,631,262.89
*Real Estate	4,144,211.99
Government, State and Municipal Bonds	3,655,865.69
Premiums in course of collection	2,995,153.25
Interest and rents due and accrued	1,650,274.69
Farm mortgages	1,628,070.58
Bank and other preferred stocks	1,114,756.56
Other Bonds	1,092,437.85
Cash in Banks and in office.....	316,111.90

TOTAL\$98,138,711.14

*Includes Head Office and adjacent properties.

LIABILITIES

Insurance Reserve required by law to mature Policy Contracts....	\$80,793,841.65
Present value of amounts not yet due on matured Instalment Policies and disability claims.....	3,574,749.00
Policy claims in process of settlement	580,139.20
Premiums and interest paid in advance	418,285.40
Estimated amount of Federal and State taxes payable in 1932.....	360,000.00
Salaries, rents, commissions, accounts, etc., due or accrued....	146,939.55
DISTRIBUTION OF SURPLUS:	
Apportioned to Annual Dividend Policies and payable during 1932	3,445,852.56
Apportioned to Annual Dividend Policies and left with the Company at interest.....	2,785,977.88
Apportioned to Deferred Dividend Policies and payable during 1932	68,494.88
Accumulations under Deferred Dividend Policies	463,287.24
Reserve for contingencies (Surplus)	5,501,143.69
TOTAL LIABILITIES.....	\$98,138,711.14

THE FIDELITY MUTUAL LIFE INSURANCE CO. PHILADELPHIA

WALTER LEMAR TALBOT, President



Scene on the beach at St. Petersburg, Florida, where NwNL Fieldmen will bask in the sun, March 8th to 10th. Vinoy Park Hotel, Convention Headquarters, in the background.

STEALING THE MARCH ON MARCH

IN December and January, winter sports and spicy winter air may hold a thrill for many—but not in March. By then snow has like as not turned to slush, the skating rinks are closed, skis and toboggans have been stored away. The weeks of semi-winter ahead look like an unbroken chain of gloom. Then will N^WNL's heavy hitting producers steal the march on March, taking the N^WNL special to Florida.

In sunny St. Petersburg, bathing, golf, and fishing under ideal conditions will break Winter's spell, and send these life underwriters back with renewed energy to their appointed task of producing more new business each month than they did in the corresponding month of the year before—a task, by the way, that they have successfully performed for seven consecutive months.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, President

STRONG—Minneapolis, Minn.—LIBERAL

Danger Seen in Special Drive for Annuity Forms

There are profound students of insurance, who view with the utmost concern the great impetus in the sale of straight life annuities, deferred annuities, single premium and other forms that partake more of the nature of investment than of insurance.

Executives, who are alarmed, believe that the companies are headed for a trap even more painful than that of disability and even more ineluctable.

The great mistake, according to executives of this conviction, is that the mortality assumptions are too high. Whereas in the obsolete tables of mortality, upon which life insurance premiums are based, there is a wide margin of safety because of the difference between the ratio of actual to expected mortality, in basing annuity payments on that table or even on modifications of the table, the companies are on the other side of the fence and the savings in mortality are likely to be a boomerang.

Continental Experience

Annuity statistics are based pretty largely on continental experience. In Europe, the rank and file of the public is annuity-minded. The first thought of a man who accumulates an excess of funds or comes into extra money is to buy another annuity and so increase his income. Therefore, the mortality of annuitants corresponds more precisely to the general mortality than in this country, where there is undoubtedly a selection against the company.

Those who anticipate that the mortality experience will be adverse, contend that it is unwise to issue a contract, depending on margins of safety in the expense loading and excess interest rate to take care of possible grave mistakes in mortality.

Of course, on a 3 percent reserve assumption, in the later years of an annuity before maturity there is latitude for making adjustments to actual experience, but that would call for cour-

age. To reduce dividends in the later years would be a shock to the annuitant and the issue would arise as to whether to continue the dividends for competitive purposes and make up the deficit out of the life insurance pocket or whether to make drastic dividend cuts and face the attack of competitors.

Upsetting to Fundamentals

The whole trend towards more or less pure investment forms is likely to be upsetting to life insurance fundamentals, according to the gloomy prophets. Being on the winning side of the American table of mortality, life insurance companies have tremendous margins of safety which are unparalleled in any other enterprise. The steady stream of income for practically all companies, even in the test year of 1931, was adequate to meet all obligations, pay dividends and provide a residue for investments. Many companies, in their annual statements, are commenting on the fact that they were not called upon to sacrifice any securities to meet cash demands.

But those who are opposed to the extension of the sale of annuities on a competitive basis feel that the various investment forms provide an uneven income, and create excessive cash liabilities. Some companies, for instance, issue such a liberal single premium policy that at the end of the first year the policyholder can withdraw an amount which, together with the dividend equals 97 percent of his premium. Thus, it is not inconceivable, that, if annuity and other investment forms are widely sold on an inadequate basis, income might not be adequate to take care of outgo; there would be nothing left for investment and securities would have to be disposed of.

The annuity question is destined for much study, particularly now that the more immediate problem of disability has been definitely tackled.

Treasury Ruling Reworded as to Insurance Exemptions

The main ruling of the treasury department on the exemption of life insurance proceeds from the federal estate tax has been reworded so as to recognize the modification of the old ruling which was brought about by the new ruling secured by the Myrick committee which did away with the payment of premiums as the criterion of exemption and substituted legal incidents of ownership as the criterion. It will be recalled that the committee, headed by Julian S. Myrick, general agent in New York City for the Mutual Life of New York, induced the treasury department to modify its ruling in order to prevent the wholesale twisting of policies which was induced by the interpretation of the ruling to the effect that the proceeds of policies payable to a named beneficiary were exempt in toto from the federal estate tax if the premiums were paid by other than the assured.

Under the modification, as obtained by the Myrick committee, the proceeds are exempt in toto if the assured divests himself of all legal incidents of ownership, such as the right to change a beneficiary, the right to borrow, etc.

The rewording of the latest ruling is treasury decision 4331, amending article 27, regulation 70 as amended by T. D. 4296, making it clear that insurance in excess of \$40,000 payable to beneficiaries other than the estate is subject to estate tax when taken out by the decedent upon his own life, as defined in article 25, where the decedent retains legal in-

Some Illinois Life Agents Will Need to Get Licenses

At the roundup of fire and casualty agents in Springfield, Ill., last week to hear about the mechanics of the new agents, brokers and solicitors license bills which become effective in that state March 1, it developed that life agents under certain circumstances must be licensed. The life agent who writes other lines than life for any company except his own must have either a broker's or agent's license. That would indicate that a life insurance agent who places accident and health with another company must be licensed.

Some of the accident and health general agents have stated that they will not accept business from life agents of other companies unless those agents are licensed. Probably most life agents, under these circumstances, would get a broker's license, the cost of which in Cook county is \$10 and in the rest of the state \$5. Application blanks for brokers' licenses are obtained direct from the insurance department.

Some life agents, however, may prefer to get agents' licenses if they are placing all of their non-life business with one company. The cost of an agent's license is \$2 and the blanks are obtained from the companies, which turn them in, after they have been filled, to the department. There is no direct association between an agent and the department as to agency licenses.

Incidents of ownership of the policies during his life time.

Fruitful Future Stretches Ahead

Whatley Sees Life Insurance on Threshold of Its Golden Era

HAS PUBLIC CONFIDENCE

Past President of National Association Draws on Past for Conclusions in St. Louis Talk

Life insurance has gone through three great epochs, each an acid test, and is emerging into a fourth, refined by the fire and with potentialities of far greater strides in the next decade than in any similar period of the past, S. T. Whatley, general agent Aetna Life, Chicago, and past president National Association of Life Underwriters, told the St. Louis Association of Life Underwriters at a meeting Thursday.

Mr. Whatley drew his conclusions on the subject "What the Next Decade

Holds for Life Underwriters" from the experience of the past.

Millions in Vaults

"We know that there are hundreds of millions of dollars in the safe deposit boxes of this country today because of fear," Mr. Whatley said. "We know that many Americans today are willing to sacrifice all return for safety. Hence they have locked up their currency."

"We know that thousands now will invest in only the most conservative type of investment. The greed for returns has given way to a demand for safety. Who will coax these idle dollars out of the storm cellars? The life insurance salesman fortified with the background of confidence so well earned by his companies through past performance?"

"These dollars will again go into circulation and gradually the business of our nation will resume and with it will come a resumption of public confidence."

Sustains Storer's Views

"If you have not read Elbert Storer's presentation of life insurance as an investment, let me urge you to do so, for in my opinion the greatest success during the next decade will be made by those life insurance men who sell life insurance as opposed to death insurance. We are, as never before, in a position to compete for the savings dollar and the investment dollar."

"If we fail to do this, then I can only

say that we have profited none by our knowledge of the past, for it has failed to give us an understanding of the present and an insight to the future."

"In order for a man clearly to interpret what the future may hold for him or his business, he must clearly understand the present, and to do this he must be familiar with the past."

Notes Armstrong Quits

"In 1906 the assets of the American legal reserve companies totaled \$2,900,000,000. This was after our 60 years of operation in this country. Then came the famous New York investigation, out of which grew the Armstrong law."

"There was not a country newspaper but which was filled with stories of the corruption of life insurance. Just about that time I was emerging from college and on every hand I was told that life insurance could never recover from the unmerciful glare of publicity which had been turned upon it. Many men, then engaged in the business, deserted it because of this fear for its future. Yet in 1908, it did emerge purged and cleansed, into a period of public confidence which it had not previously enjoyed."

Government in Business

"Then we come to the second period, which is more familiar to the younger men, the period of 1917 when our own government entered the life insurance business and granted life insurance to soldiers who were about to face the hazards of warfare—at lower rates than

Kelly Chosen Head of New Jersey Department

Col. W. H. Kelly of East Orange, well known to the insurance fraternity, has been appointed commissioner of banking and insurance of New Jersey, succeeding Frank H. Smith. Col. Kelly was one of the organizers of the East Orange Trust Company and is chairman of the Essex county Democratic committee. He takes office Feb. 27.

could be quoted to non-combatants by our private companies. How many of you remember the howl which went up from our own ranks?

"Our business again emerged into a period of greater prosperity and enjoyed even greater public confidence because of the stamp of approval which had been put on it by our national government."

"During the 23 years from 1906 to 1929 their assets had increased to more than \$18,000,000,000."

Considers Depression

"And now we come to the third great epoch or period of our business, the present period of business depression; a period when all types of business have been subjected to the most severe strain within the memory of any of us present."

"And what has happened to legal re-

(CONTINUED ON LAST PAGE)

Gardian Life Insurance Company shows growth and additional strength in 1931

Here are the interesting figures showing how in 1931 one Insurance Company still further strengthened its financial position.

SOURCES OF 1931 INCOME

New premiums on business written in 1931.....	\$ 199,435
<i>This was \$17,706 more than the new premiums for 1930.</i>	
Renewal premiums collected in 1931 were.....	1,289,440
<i>Which is \$42,536 more than renewal premiums for 1930.</i>	
Interest received on investments during 1931.....	365,236
<i>\$30,007 more than interest receipts in 1930.</i>	
Balance of the Company's income was.....	126,565
All of these items of income for 1931 total.....	\$1,980,676
<i>Which is \$109,447 more than the income for 1930.</i>	

USES MADE OF 1931 INCOME

Of the \$1,980,676 of income there was paid to policyholders and their beneficiaries.....	\$ 933,248
<i>Which was \$230,081 more than in 1930, including death claims, policies surrendered, policy dividends, dividends left to accumulate and payments on monthly income or installment policies.</i>	
Commissions to agents and expenses of the Agency Department at the Home Office were.....	182,657
Medical examinations and inspections of applicants for new insurance in 1931 cost us.....	12,215
Investment expenses incurred in 1931 were.....	46,270
Payments to Shareholders (same as last year).....	12,000
Taxes, fees and agent's licenses cost in 1931.....	17,191
<i>This total is \$1,505 above the 1930 figures.</i>	
Total of Home Office expenses for 1931 were.....	139,312
<i>\$30,272 less than the same items cost in 1930.</i>	
This makes total expenditures for 1931 of.....	1,342,893
<i>This accounts for all the 1931 income except \$637,783.</i>	

AN ANALYSIS OF THE ASSETS

We have previously accounted for all of the Company's income received during 1931 except.....	\$ 637,783
Ledger assets as of December 31, 1930, were.....	6,870,989
<i>Adding the \$637,783 saved during 1931 to this figure we have</i>	
<i>ledger assets as of the end of 1931 of.....</i>	<i>7,508,772</i>

These ledger assets of \$7,508,772 consist of:

Mortgages	\$4,161,576	gain over 1930	\$108,446
Bonds	1,878,654	gain over 1930	165,896
Policy Loans	1,063,153	gain over 1930	246,578
Real Estate	281,693	gain over 1930	50,320
Cash	81,053	gain over 1930	24,557
Miscellaneous	42,643	gain over 1930	41,986

Mortgages are on real estate in Wisconsin and Minnesota worth more than double the amount loaned; real estate is carried at face of loan foreclosed except 25 pieces sold on land contract for \$133,925 which had been carried at \$119,567. During 1931 we took over 17 pieces for \$89,890, and sold 6 pieces for \$31,900. Bonds are carried at amortized value.

Premiums due and unreported on Dec. 31.....	\$ 180,054
Interest due and accrued on investments of.....	115,579
Admitted Assets are these items plus Ledger assets, less non-admitted assets of \$43,380 or.....	\$7,761,025

WHAT THE ASSETS COVER

The heaviest liability is Policy Reserves of.....	\$6,436,970
Dividends left with the Company amount to.....	333,584
Claims as yet unpaid and accrued bills total.....	27,083
Miscellaneous Items of Liability amount to.....	67,884
<i>This includes estimated taxes for 1932 of \$24,000; premiums and interest paid before due date, \$24,384, etc.</i>	
Surplus to policyholders thus amounts to.....	639,162
<i>Which is the difference between these liability figures and the total assets. This is the margin of safety carried in assets by the Company over and above the \$6,436,970 required by law to fulfill the Company's obligations to policyholders—a margin of about 10%. This surplus consists of:</i>	
Contingency reserves	\$539,162
<i>A cushion to meet investment losses or extra mortality</i>	
Capital Stock	100,000
<i>Extra protection for policyholders</i>	
Dividends apportioned to Policyholders Payable in 1932..	256,342
<i>This is in reality an additional protection to Policyholders, for this fund is continuously kept at this or greater size by monthly additions.</i>	
And so the Total Liabilities balance assets of.....	\$7,761,025

Insurance in Force - \$49,025,370 — A gain for the year of \$879,464
Home Office, Madison, Wisconsin



THE PROTECTIVE VALUE of

life insurance has long been accepted.

Now the public turns with increased

confidence to life insurance as an

investment. You who sell must be

aware of this trend and of the broad-

ened opportunity it brings to you.

These are days when you can make

lasting business friends.

AETNA LIFE INSURANCE COMPANY

HARTFORD

CONNECTICUT

Insured Solvent When Risk Written; Not Attachable

DECISION IN MASSACHUSETTS

Creditors Can't Collect Even Though Insolvent Corporation Paid Part of Premiums

Although an assured may cause a bankrupt corporation, of which he is president, to pay premiums on his personal insurance, the proceeds are not attachable by creditors if the insurance was taken out while the policyholder was solvent. This, in effect, was the decision of the Massachusetts supreme judicial court in Proctor vs. MacClaskey.

MacClaskey was president, treasurer, general manager and majority stockholder in the Phoenix Bond & Mortgage Co., a brokerage concern. He died Dec. 14, 1930. He took out life insurance policies in 1912, 1918, 1923, 1926 and 1929 of which Mrs. MacClaskey was the beneficiary. During 1929 and 1930 he caused the Phoenix Bond & Mortgage Co. to pay total premiums on these policies of \$2,599. Since his death Mrs. MacClaskey has received \$68,469 upon the policies.

Trustee in Bankruptcy

Proctor is the trustee in bankruptcy of the Phoenix Bond & Mortgage Co. He contends that these payments were in fraud of the creditors of the corporation. He alleges that MacClaskey's estate is insolvent and Mrs. MacClaskey has not sufficient assets to meet the claim except for the proceeds of the policies.

The Massachusetts supreme judicial court held that the demurrer was sustained properly. Under G. L. C. 175, Sec. 125 as amended by St. 1928, c. 176, Sec. 1, and Sec. 126, as amended by St. 1928, c. 176, Sec. 2, the proceeds of the policies are secured absolutely to Mrs. MacClaskey, unless a right in premiums paid in fraud of creditors exists in Proctor. Whatever rights Proctor has must be derived from the statutes.

He procured them and he made the changes of beneficiary in those not originally issued with the wife as beneficiary. All was before any payment of premiums by the corporation. The court cannot interpret the statutes to grant the right claimed in the action to any but creditors of the person who effects the insurance. And that is the one who takes out the policies or procures them to be taken out.

Prospect Service Bureau Formed

Creation of a prospect service bureau to aid in the sale of retirement income insurance is announced by the Connecticut Mutual. A test of the system has been conducted for several months in nine agencies and it will now be extended. Clerical work under the plan is at a minimum in agency and home office and a complete checkup of actual sales made to date is recorded.

Curry Back in Life Field

After spending several years in the fire business, Spencer B. Curry of Washington, D. C., has decided to return to life insurance, reassociating with the Union Central Life as a special agent. He has been elected vice-president of the District Agency Company, with which he was identified until he became vice-president of the Great National several years ago, subsequently becoming its president.

Merges with New England Reserve

KANSAS CITY, MO., Feb. 18.—The Life Extension Insurance Company, which recently was organized by a group of Kansas City men, has been merged with the New England Reserve

Life, headed by R. W. Stith. E. T. Swobe, one of the chief organizers of the former company, becomes vice president and a director in the latter. He will be managing director of the life extension department of the New England Reserve.

In the transaction the New England Reserve acquired the trust funds of the projected Life Extension. The New England will promote the sale of the life extension policy designed by Mr. Swobe and copyrighted by him.

Inspirational Talks to Be Mid-Year Meeting Feature

NEW YORK, Feb. 18.—An innovation at the mid-year meeting next week of the executive committee of the National Association of Life Underwriters will be a group of four or five five-minute inspirational talks on modern trends in life underwriting. G. E. Lackey, chairman of the executive committee, has announced. The executive committee will meet Feb. 27, at the Hotel Stevens, Chicago. The board of trustees will meet the day before.

Reports will be received from President Elbert Storer and other officers and committee chairman, including the report of O. Sam Cummings on the proposed reorganization of the association's constitution and by-laws.

Sentinel Life Election

KANSAS CITY, MO., Feb. 18.—F. C. Harvey is re-elected president of the Sentinel Life. E. G. Trimble was re-elected chairman of the board. R. S. Tiernan, president of the American Savings Life, was made chairman of the executive committee and the finance committee of the Sentinel.

J. T. Mayall, vice president of the American Savings, was elected vice president and general manager of the Sentinel, and D. Sharpe, American Savings treasurer, was elected to the board.

Midland Mutual's Medical Director

President H. B. Arnold of the Midland Mutual Life has been going over the field carefully in order to select a new medical director to succeed Dr. Frank Harnden, who becomes medical director of the Berkshire. Dr. A. R. Stone, associate medical director of the Missouri State Life, goes to the Midland Mutual as medical director. He has had practical charge of the medical underwriting of the Missouri State.

Southern General Soon to Start

Frank Heaton, general manager of the Southern General Life of Memphis, which is being organized, stated it is expected to start writing business in about 90 days. Mr. Heaton said satisfactory progress is being made in the sale of the stock. It is to have \$100,000 capital and the same amount of surplus. At the outset it will confine its operations to Tennessee, Arkansas and Mississippi.

National Fidelity Dividend

KANSAS CITY, MO., Feb. 18.—Directors of the National Fidelity Life declared a dividend of 6 percent, equal to 30 cents a share on the \$5 par value stock. A 3 percent dividend was paid in 1931. Earnings in 1931 increased approximately 20 percent and assets increased \$410,600. F. E. Young was elected vice president and actuary, Ralph H. Rice, Jr., formerly assistant secretary-treasurer, was made a vice president and H. A. Huncilman was elected assistant secretary.

W. C. Kenney, E. W. Koepke

Two general agency appointments have been made by the Continental Assurance of Chicago. W. C. Kenney, Inc., St. Paul, is named for that city and vicinity and E. W. Koepke at Saginaw, Mich., and environs.

Gubernatorial Plan for Unemployment Insurance Adopted

Nine items are set forth in a specific form of unemployment insurance recommended by an interstate commission on the subject representing the governors of Massachusetts, New York, Ohio, Pennsylvania, New Jersey and Connecticut, made public by Governor Ely of Massachusetts.

The plan proposed contemplates compulsory establishment of statewide systems of unemployment reserves, payment by each employer of contributions amounting to 2 percent of his payroll, payment by each employer to constitute the unemployment reserve of his firm and to be treated so in the account; maximum rate of benefit 50 percent of employee's wage or \$10 a week, whichever is lower, and maximum period of benefit, ten weeks within any 12 months; financial responsibility of an employer to be strictly limited by the amount of unemployment reserve; where accumulated reserve per employee exceeds \$50, employer's contribution shall be reduced to 1 percent of his payroll, and when reserve reaches \$75, he shall make no further contribution to this fund until the reserve again falls below that figure; the state to act as custodian, investor and disbursing agent of reserve fund; the state to take prompt steps to extend its public employment service; the unemployment authorities to create stabilization agencies.

Employees suffering unemployment because of short time employment would be eligible for benefits whenever their week's wages were less than 60 percent of their average weekly wage; but the benefit for part unemployment would not exceed the difference between the wage actually received and 60 percent of the employee's average weekly wage, and in no case would it exceed \$10 a week.

Billheimer and Associates to Organize Life Company

KANSAS CITY, MO., Feb. 18.—W. B. Billheimer, widely known sales counselor, and a group of Kansas City associates, have organized Midwestern Holding Corporation for the purpose of securing capital with which to acquire or organize a life company.

Associated with Mr. Billheimer in the new company are Noah Crooks, former internal revenue collector here; Dr. E. L. Mathias, Kansas City doctor, who will act as medical director; L. J. Baer, president of L. J. Baer & Co.; M. H. Winger, lawyer, general counsel; G. Riggan, capitalist; G. D. Kirk and Dr. L. P. Jones.

Condemns "Unofficial Articles"

Commissioner Spencer of Maine has issued a warning to life companies to end the distribution on the part of their agents of "unofficial articles," reflecting upon other companies. "Unofficial articles," he defines as those not emanating from supervisory or authoritative sources.

Paul G. Eger Resigns

LANSING, MICH., Feb. 18.—Paul G. Eger, assistant attorney general, who has been legal adviser to the Michigan department for some time, has resigned to become attorney for the receiver of the American State Savings Bank here and will enter private practice as a member of the firm of Kelley, Sessions & Warner. Sid A. Erwin, Detroit, has been named to the attorney general's staff and will represent the department in the future.

Among the outstanding cases in which the department was represented by Mr. Eger was that of the Security

Life of Chicago, which brought injunction proceedings against Commissioner Livingston when he refused to relicense the company in 1931. The company recently withdrew its suit when it was up for hearing in federal court.

Fidelity Union Leaders Meet

More than 75 leading producers of the Fidelity Union Life assembled in Mineral Wells, Tex., for their annual convention. Vash Young, Equitable Life of New York in New York City, was the featured speaker.

L. C. Bradley, vice-president and agency director, presided. The topics discussed included plans for 1932 and reviews of the past year. Those in attendance from the home office were President Carr P. Collins, vice-president; Earl B. Smyth, N. B. Gammill, actuary, and Mr. Bradley.

Another Reynolds Grandson

President J. B. Reynolds of the Kansas City Life is reported as continuing to celebrate the arrival of his second grandson, Feb. 12. Of course the child, Walter Edwin Bixby, jr., did not need to be born on the birthday anniversary of the Emancipator for his grandfather to know he is going to be a great man.

W. E. Bixby is assistant secretary of the Kansas City Life. The Reynolds' first grandson was named for the grandfather.

Propose New Virginia Law

RICHMOND, VA., Feb. 18.—Sponsored by the Virginia department, a bill was to be introduced in the legislature of this state this week placing restrictions around investments of domestic life companies. As drafted, it provided reserves protecting policyholders shall not be invested in common stocks of other companies and only the excess above the minimum requirements of capital and surplus may be invested in such stocks. Proposed legislation is designed to prevent the indiscriminate use of proposed funds for acquiring stock control of other companies. All companies chartered in Virginia would be affected, whether home offices are in that state or elsewhere.

Cleveland Congress March 12

The Cleveland sales congress will be held March 12. The speakers are to be Albert W. Atwood, William H. Beers, Ralph G. Englesman, Roger B. Hull and Henry North. It is expected that congresses in Columbus, Cincinnati and

Toledo will be held early in March but definite dates have not been set.

Will Conduct Sales School

The Great American Life and the Continental National Life of San Antonio, are planning to conduct a sales school under the supervision of W. J. Hiller, vice-president and actuary, who was dean of the life insurance school of the University of Nebraska for a number of years.

Insurance Families United

Miss Lucy Grant, daughter of W. T. Grant, president of the Business Men's Assurance, and Charles Norman Sears, son of C. N. Sears, secretary of the Kansas City Life, will be married April 2. The bridegroom to be has been in the claim department of the Kansas City Life for three years.

Harris in Kansas City

Henry Camp Harris, vice-president of the Texas Security Life, spoke before members of the sales force of the Kansas City branch of the Business Men's Assurance. President W. T. Grant of the Business Men's gave Mr. Harris a luncheon at noon, which was attended by the executives of the Kansas City companies.

MR. YOU » » »

During the past few months we have been telling you about our ORGANIZED SALES PLANS.

As further evidence of the success of this plan, The Minnesota Mutual enjoyed, not only the greatest volume of regular business it has ever enjoyed during its December "Randall Month," but production of regular business during 1931 exceeded the production of this class of business for any one year since this Company was organized in 1880.

Any man intent upon success cannot afford to pass up the opportunity the ORGANIZED SALES PLAN offers.

If interested, fill in the coupon below and mail to



The Minnesota Mutual Life Insurance Co.,
St. Paul, Minnesota

I am interested in your ORGANIZED SALES PLAN. Please give me full particulars.

Name.....

Present Occupation.....

Address..... City and State.....
The National Underwriter

Detroit Actuaries Discuss Disability Reserve System

DETROIT, Feb. 18.—The reserve system of the Detroit Life for disability and double indemnity, together with the company's new setup for these features, was outlined in detail by A. T. Lehman, its actuary, at the Detroit Actuarial Club's February meeting. President A. A. Speers, Michigan Life, conducted the session.

Other actuaries who told of the changes in their disability and double indemnity clauses were J. E. Little, Maccabees; Mr. Speers, of the Michigan Life; Mr. Rohm, American Life, and A. G. Gabriel, general agent Midland Mutual, who was admitted to membership.

Group Recommendations to Be Thoroughly Digested

NEW YORK, Feb. 18.—The Group Association, comprising the principal group-writing companies, met this week with 30 representatives from 14 companies. A number of recommendations were passed upon but these will have to be recided upon by the members before they become effective. Pending these decisions no announcement is being made by the Group Association. The Aetna Life was appointed as a committee to study the entire subject of group annuities, a subject of rapidly growing importance.

Walter Cluff Recuperating

Walter Cluff, educational director of the Kansas City Life, who has been ill at his home for several weeks, is improving, although he will be confined for several weeks more. His doctor has ordered a rest cure.

New Men Put on As Inflation Seen

(CONTINUED FROM PAGE 3)

thought to the investment difficulties of the business, policy loans, disability troubles, etc. Therefore, when money becomes easier, when those employed have a more comfortable feeling about the security of their positions, when unemployment is reduced, the anticipation is that life insurance will be bought plentifully. Therefore, if the upgrade can be detected, new men will have a great opportunity and will prove valuable assets to the general agent.

General Stimulation Seen

Of course, the present spurt in stock and bond market prices may prove to be a flash in the pan, as did the moratorium spurt, and another relapse may set in. But many agency operators are pinning their faith on recent developments, believing that whether or not the inflationary methods which have been undertaken are economically sound, there is sure to be a stimulation of activity in all directions. It may be unwise to wash out obligations and to create new obligations on the basis of doubtful securities, but if there is to be inflation of this kind, many general agents feel that the only thing is to jump on the band wagon and take advantage of it.

Small Partnerships

Some observers believe that there will be a great market for life insurance among small partnerships. Organizations of that kind have learned the value of business insurance during the depression. Partnership after partnership, that has been broken up by death of one of the partners during the last two years, has been faced with disaster. The surviving partner or partners, more often than not, have been hard pressed in order to get funds to buy out the

interest of the deceased partner from his heirs. Banks have not been willing to lend money for that purpose, the partnership as a going institution being deemed of doubtful collateral value and liquidation has often been necessary.

The insurance agent, properly informed, will have a great story to tell partnerships.

Realistic View of Insurance Urged

(CONTINUED FROM PAGE 3)

economic situation is that the United States in changing its status from a debtor nation to a creditor nation has done none of the things which a nation should in making that change. Unconsciously we have caused the sterilization of gold. We have unwittingly helped cause the European upset, which in turn has had its repercussions here. It is not fair to say that Europe caused the depression. It would be nearer the truth to say that we caused the European situation more than Europe itself."

Buffalo Life Now Is Legal Reserve

(CONTINUED FROM PAGE 3)

came secretary and general manager and the step rate plan was adopted. In 1905 the company eliminated the words, "of Western New York" from its corporate name and it became the Masonic Life Association. This was necessary owing to the widening scope of its activities. In 1908 Mr. Tiffany became president and continued until his death in 1917. He was succeeded by his son, N. O. Tiffany, Jr., who resigned in 1930. In 1927 the name was changed to the Buffalo Life. Mr. Hull, who had been first vice-president, succeeded Mr. Tiffany in the presidency.

Early last year President Hull and

the directors recognized the advantage of having a company conducted on the old line basis and therefore decided to change the style of operation, making a deposit of \$200,000 with the New York insurance department. The Buffalo Life had been doing business in 14 states.


The transfer campaign was started in 1929, members being changed from the old plan to the legal reserve basis. At the present time only about 17 percent of the insurance is on the old form. It is anticipated that it will all be transferred before the end of this year.

Fine Line of Contracts

Director of Agencies Ehlen states that the agency organization will be developed along lines in keeping with the most improved and up-to-date practices. Liberal agency contracts will be backed by practical training methods. An up-to-date set of policy contracts has been adopted with attractive provisions. In addition to the standard forms there will be a life expectancy term, whole life special \$5,000 policy, 10 and 20 year modified whole life contracts with premiums reduced for the first 10 or 15 years, 20 payment life special \$2,500 policy, limited pay life providing for payment at age 65 of one-half the policy in cash. The company will also issue children's policies. Women will be written on the same rate as men but limited as to forms and amounts. It will not write income disability but will provide waiver of premium and double indemnity.

Other Officers of the Company

F. L. Beyer, long a director, is first vice-president. He is director of the Erie Savings & Loan Association and Buffalo Club and is treasurer of the Deaconess hospital of Buffalo. G. H. Chase is secretary. He has been 36 years in the employ of the company. John C. Trefts, second vice-president, is president of Farrar & Trefts of Buffalo, director of the Liberty Bank of

Work +  = "free from worry" retirement days

INTELLIGENT, hard work and proper application of all the unusual help given by that distinct plan of "Commonwealth Cordial Co-operation" enables agents of the Commonwealth Life to build up a comfortable retirement income.

The unusual features of our "Commonwealth Cordial Co-operation" plan do appeal to agents and make them satisfied. For one thing the plan is centered around the idea that agents can reach their retirement days with an income of their own sufficient to take care of their every need. Old age—retirement days—come, but there is no worry because "Commonwealth Cordial Co-operation" provides for this contingency.

This one feature alone insures the success of this unusual plan but there are many, many more reasons why "Commonwealth Cordial Co-operation" appeals so much to agents. If you would like to know about them write direct to the Home Office.

I. SMITH HOMANS, Vice-President

COMMONWEALTH LIFE INSURANCE CO.
LOUISVILLE, KENTUCKY

Buffalo, the Marine Trust of Buffalo, and Title & Mortgage Guarantee Company and Bank of Hamburg, Hamburg, N. Y. R. D. Young, treasurer, is secretary and treasurer of the Erie County Savings Bank. Lloyd Thomson, the actuary, is a graduate of the University of Michigan and has been in actuarial work for 10 years.

President Hull's Announcement

In announcing the change to the policyholders, President Hull states:

"The adoption of this new standard places your company on a par with all of the large old line life companies and better enables us to meet competition which hitherto has been quite difficult. It should be a source of great satisfaction to you to know that the consent of the commissioner of insurance to this important progressive step was only possible after a very thorough and rigid examination of our finances, management and general condition by examiners of the department of insurance."

Utility Bonds Can Stand Hard Knocks

(CONTINUED FROM PAGE 1)

rate. However, this situation actually exists in Seattle and in Cleveland and the private concerns are getting along satisfactorily. Experience indicates that rate reductions, whether forced or voluntary, will have no effect on bond obligations because the result is a greatly increased demand for current at the lowered rate. For a company which is well financed, so that it can stand a period of lag of a year or two while the demand for more current is building up, the prospects should be brighter than ever. Electric refrigerators, domestic artificial cooling plants, and other electrical appliances for the home are among the ways of utilizing cheap current.

Expect 15 Percent Decline

All this means that unless something extraordinary happens to revolutionize all electrical concepts, utilities should maintain their present earning power, with a possible decline in the neighborhood of 15 percent. It is not likely to go much lower than this, for the courts, in setting their valuations on public utility properties, have tended to compromise between the actual cost of the plants and equipment and the lowered replacement costs under present conditions.

Unfavorable publicity, resulting from holding company operations with their service charges and secret profits, has brought about a more enlightened public attitude, and it is likely, particularly if Governor Roosevelt of New York is nominated by the Democrats, that public utilities will be one of the major campaign issues. While Roosevelt has not made his position entirely clear, it is thought that he would make it possible for communities wanting government ownership to get it more easily than they can now.

Some companies have already seen the handwriting on the wall and are eliminating practices which subject them to criticism. The attitude of some, however, has been so uncompromising that they may force considerable legislation for regulation, government ownership or government competition.

Urges Agents to Support Bankers

(CONTINUED FROM PAGE 1)

son contacted during the day should be considered a prospect.

Dr. George Cullen, medical director, said all problems of the medical department are problems of the agents and cooperation is mutually beneficial. He asked agents to be considerate of their medical men and make appointments for examination within the doctor's office whenever possible. One of the

agent's responsibilities, he said, is to see that the company is properly represented medically in the field.

B. J. Stookey, secretary, talked on problems of the conservation department, emphasizing that the greatest concern now is over policy loans. Life insurance companies in the past two years have had to make their principal investments in these loans, he said, and they are worse than frozen; they are petrified. Another important angle is that these loans have taken away the usual surplus used for investment in securities of public utilities, etc., and this is one thing that has been helping the depression.

Makes Plea to Agents

He urged agents to do everything possible to hold down the amount of loans by talking with assureds. The Illinois Life last year, he said, made some 12,000 policy loans for a total around \$5,000,000. Agents should stress installment repayment of loans. Terminations involving policy loans are much higher and twisting is bad.

There are some cases, he said, where it is to the policyholder's advantage to make adjustments, but the issuing company is in a better position to make the proposition than any other, as it can date back, conserve the age, etc. He expressed the opinion that a great many companies are going to put on a surrender charge in order to obviate this evil.

Agency work this year should be along the lines of developing man-power without cash advances, Vice-President J. F. Williams said. He urged school teachers as good agency prospects as they are not being paid in some communities, such as Chicago, and they at least can go on a part-time basis.

Twisting on Big Scale This Year

(CONTINUED FROM PAGE 5)

near maximum loans or it would terminate or be twisted.

Companies granted the concession of first year (or nearly so) commission on business of this character when rewritten under special home office approval. Life agents studied the merits of the question on both sides more closely than ever before. A majority came to the conclusion that under extreme conditions policies should be rewritten. It was but a step or two from that view to the conclusion that in many less extreme cases the policyholder would be benefited by rewriting the policy.

Startling Statement

"The only rule that seems to apply to the business today, so far as I can see," a company president stated this week, "is: 'Twist as much business as you can, and leave the rest alone.'"

This perhaps is an extreme pessimistic viewpoint, but it is to some extent seconded by the observation of a general agent who in the past has been very active in fighting twisters.

Present thought in too many individual cases has come entirely too close for comfort to the almost unassailable position of the skillful twister: That it is not unethical to make comparisons, and if the insured without urging makes up his mind to drop an old policy and take a new one from the agent making the comparisons, that is the policyholder's business. He owns the policy. He has bought it on the express offer of the life company that it would buy the policy back at any time at a stipulated cash price, less any indebtedness.

The attitude of many agents today is that if the policyholder avails himself of this offer without direct solicitation to do so by the competing agent, that lets the latter out.

It is a situation that bears no promise of getting better for some time to come, and may in fact get worse as the full tide of after effects of the two-year rush for policy loans becomes felt.

26th Annual Statement

THE MIDLAND MUTUAL LIFE INSURANCE CO.

Columbus, Ohio

December 31, 1931

ASSETS

Real Estate	\$ 431,719.04
(Reduced to sound values with 11% potential income yield; \$63,509.18 sold on defaulted contracts).	
Mortgage Loans	14,238,165.95
Collateral Loans	38,000.00
Policy Loans	3,994,204.94
Premium Notes	197,863.12
U. S., Municipal and Other Bonds	1,560,102.35
Railroad, Utility and Industrial Bonds and Stocks	None
Cash in Bank and in Office	209,614.99
Accrued Interest and Rents	268,000.37
Net Deferred and Unreported Premiums	430,127.38
Other Assets	59,925.90
Gross Assets	\$21,427,724.04
Non-Admitted Assets	65,648.71
Total Admitted Assets	\$21,362,075.33

LIABILITIES

Net Premium Reserve	\$17,200,909.00
Policyholders' Funds	1,397,078.18
Death Claims, proofs incomplete	103,240.80
Disability Claims, proofs incomplete and unpaid	56,273.90
Reserve for Disability Claims Incurred but not Reported	22,400.00
Unpaid Endowments	8,737.54
Policyholders' Dividends Due	35,352.36
Held for Future Apportionment and Payment of Policyholders' Dividends	725,743.24
Reserve for Taxes	58,115.00
All Other Liabilities	136,240.97
Special Contingency Surplus	\$431,684.96
Capital Stock	300,000.00
Unassigned Funds	886,299.38
	1,617,984.34
Total	\$21,362,075.33

GROWTH SINCE 1907

	Assets	Insurance in Force
Dec. 31, 1907	\$ 190,195.40	\$ 1,838,550.00
Dec. 31, 1910	441,386.69	6,092,356.00
Dec. 31, 1913	1,059,179.33	13,254,199.00
Dec. 31, 1916	2,232,368.38	21,329,852.00
Dec. 31, 1919	3,901,667.17	32,821,229.00
Dec. 31, 1922	7,041,268.64	52,236,560.00
Dec. 31, 1925	11,291,187.54	74,476,527.00
Dec. 31, 1928	16,622,268.42	100,404,001.00
Dec. 31, 1931	21,427,724.04	111,851,955.00

"ITS PERFORMANCES EXCEED ITS PROMISES"



THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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Member Audit Bureau of Circulations

Good Remedy for Hoarding

PRESIDENT HOOVER has criticized the hoarding tendency among people who have surplus funds and is endeavoring to bring this secreted money into the light so that it will begin to work. Hoarding is due to fear in the minds of the people. They are uncertain as to what to do with their money. If there were more certainty in business enterprises this money would be brought out of dark places and utilized. At the present time the country, and in fact the entire world, is partly paralyzed because of mistrust and timidity. If people make an investment they are solicitous as to whether it will be successful or not.

Life agents have a peculiarly strong argument to make in this regard because there is no safer investment than life insurance in its manifold forms. The desirability of having a safe income despite all calamity has been impressed on us all. Due to this fact life com-

panies find that more than ever annuities, retirement funds and investment forms are far more popular than they ever have been. People are beginning to learn that life companies can do more with their money than they can themselves. They appreciate the fact that they are not so sagacious after all in making investments. They recognize the high importance of the property value of life insurance. Therefore agents do not hesitate to recommend the so-called investment forms of life insurance. Endowment policies make an attractive investment.

Whether the campaign against hoarding that got into the limelight by the President's pronouncement will be effective or not, yet life men call attention to the safety of life insurance and the desirability of people placing their money in that channel rather than to allow it to remain idle and earn nothing.

Forced Into the Banking Field

PRESIDENT R. W. STEVENS of the ILLINOIS LIFE in commenting on the conditions of the year before his home state organization brought out the important point that life companies have practically been forced into the category of banking institutions, a condition for which they have not been organized nor has it been regarded as their function. The failure of banks in many localities has accentuated the demand for loans and cash surrenders. Unfortunately the bankers themselves have encouraged this procedure.

The natural place to go for a loan is to a bank or some institution whose business it is to loan money. The loan feature of life insurance is a corollary to the main contract. It is an important provision but by no means a primary one. The function of a life company is to furnish protection. It is not organ-

ized fundamentally to become a loaning institution. Carried to the extreme its activities would be smothered by the loan processes. Since October, 1929, life companies have been overwhelmed with a deluge of demands for loans and cash surrenders. This has tended very much to aggravate their problems. In addition, therefore, to meeting the conditions that naturally would follow an economic cataclysm, life companies have had to bear the burdens of the banker.

President STEVENS declared that the great army of life insurance men could do no greater service to the country than to stimulate confidence in well managed banks so that they could carry on the banking functions and thus allow the life companies to work in their particular field.

It's the last step in the race that counts.

PERSONAL SIDE OF BUSINESS

Miss Ann M. Butner, with the Equitable Life of New York, one of the first women in Minnesota to engage in the selling of life insurance, died at her home in Minneapolis. She was a member of the Minneapolis Life Underwriters Association.

M. E. Dark of Springfield, Mo., manager of the southern Missouri agency of the Illinois Life and one of the best known men in its field organization, died from a heart attack. He entered the service of the Illinois Life in January, 1910, in the office of the then Manager R. C. Bagby. He succeeded Mr. Bagby. He was one of the leading life men in his section of the state. Mr. Dark was a native of Tennessee.

Henry F. Tyrrell, legislative counsel for the Northwestern Mutual Life, and Mrs. Tyrrell will leave Milwaukee Feb. 20 for Asheville, N. C., where they will spend their annual spring vacation.

John James, former Utah insurance commissioner, former president of the Utah Life Underwriters Association and widely-known in Utah insurance circles for many years, has retired as British vice-consul at Salt Lake City after holding the position since 1923, the office having been discontinued. Mr. James has been district agent of the Occidental Life of Los Angeles for several years.

Hugh D. Hart, former vice-president of the Penn Mutual Life, is spending much of his time in Chicago, being connected with the sales department of the Orange Crush Company of that city. After leaving the Penn Mutual, Mr. Hart was affiliated with companies engaged in radio and other advertising. He has been residing at the Union League Club in Chicago. Mr. Hart was recently elected a director of Berot Adair & Co., private banking house of Washington, D. C., which controls the Southern Corporation of Washington, Finance Service Corporation of Baltimore and Orange Crush Company.

In addition to his work for the Orange Crush Company, Mr. Hart has been assisting Albert F. Coyle, executive vice-president of the American Insurance Union of Columbus, O., in solving the problem created by the conflict of interests between Mr. Coyle and the Trans Continental Trust Company of Chicago as to the ownership of much of the stock of the A. I. U., Inc.

O. J. Arnold, president of the Northwestern National Life of Minneapolis, has been reelected president of the Minneapolis Council of Social Agencies. Last November, during Mr. Arnold's first term as president, the council sponsored the most successful Community Fund drive in the city's history in which more than \$2,200,000 was raised. Mr. Arnold is also chairman of the Minneapolis committee on relief and unemployment.

Fred A. Dickey, of Minneapolis, for 20 years state manager of the Security Mutual Life and an active leader in Republican party affairs, died there Feb. 12. He was 60 years old and had retired only a few months ago.

Lloyd T. Binford, president of the Columbian Mutual Life, spoke to a meeting of Memphis high school teachers last week.

Griswold Wilson of the Hamlin agency of the National Life of Montpelier in Cleveland has received a pin with two diamonds in honor of his having been a member of the company's leaders club for 10 continuous years. Mr. Wilson did not enter the life insurance business until 1922, has been

Banker, Former General Agent, Dies in New York



EDWARD M. McMAHON

Edward M. McMahon, second vice-president of the Chase National Bank, former life insurance general agent and brilliant insurance lecturer, died in the Mt. Vernon, N. Y., hospital after an operation at the age of 47.

Mr. McMahon was born at Madison, Wis. After graduating from the University of Wisconsin, he joined the Northwestern Mutual Life at Madison in 1909 and became a general agent there for the company in 1910. In 1913 he became associated with Dr. Charles Albright, the leading producer for the Northwestern Mutual.

From 1913 to 1916, Mr. McMahon acted as secretary for the chamber of commerce at Madison and from 1916 to 1920 held a similar position at St. Paul.

In 1921 he organized the Northwestern Casualty & Surety of Milwaukee and for two years was its vice-president and agency manager.

In 1924 Mr. McMahon became general agent for Greater New York for the National Life of Vermont and continued in that capacity until 1927 when he became insurance trust officer for the Equitable Trust Company. His next move was to the Chase National Bank.

Mr. McMahon appeared on the program of the National Association of Life Underwriters at the annual meeting in Memphis in 1927 and at Washington, D. C., in 1929. He delivered a masterful address on business insurance last year before the annual meeting of the insurance section of the American Management Association in Chicago.

with the National Life during this entire period, has been a member of the million-dollar round table, and his delivered business has averaged \$667,000 a year.

August E. Steffen, chairman of the Guaranty Life of Davenport, who had been in ill health for some time, died last week of a bullet wound, which, it is believed, was self-inflicted. Mr. Steffen served as president of the Guaranty Life from the time of its formation in 1903 until three years ago when he was succeeded by Lee J. Dougherty. He was 66 years of age.

Capt. R. H. Kellogg, for more than 51 years associated with the Connecticut Mutual, and more recently supervisor of agencies, died last week.

In 1925, the company, in recognition

(CONTINUED ON PAGE 14)

SUN LIFE ASSURANCE COMPANY OF CANADA

STATEMENT FOR 1931

ASSURANCES IN FORCE (net)	- - - - -	\$3,051,077,000
NEW ASSURANCES PAID FOR (net)	- - - - -	527,939,000
TOTAL INCOME (net)	- - - - -	197,140,000
TOTAL DISBURSEMENTS	- - - - -	136,509,000
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES IN 1931	- - - - -	93,235,000
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES SINCE ORGANIZATION	- - - - -	594,185,000
SURPLUS AND CONTINGENCY RESERVE	- - - - -	21,126,000
TOTAL LIABILITIES (including paid up Capital Stock)	- - - - -	603,678,000
ASSETS, AT DECEMBER 31st, 1931	- - - - -	624,804,000

THE YEAR'S BUSINESS REVIEWED

"I think you will agree with me that for a year such as that through which we have just passed the showing is a remarkably fine one.

"New assurances of over \$527,000,000, and a total in force exceeding \$3,000,000,000, are figures so great as to need no emphasis.

"The distribution of our new business is interesting. Canada contributed \$101,000,000, United States \$291,000,000, Great Britain \$50,000,000, and the rest of the world \$85,000,000.

"Our mortality experience has been even more favourable than that of last year, the claims being but 54.3 per cent. of the expected, against 57.6 per cent. in 1930.

"Since business was commenced in 1871 we have paid out in benefits \$594,000,000. Last year alone our payments were \$93,000,000, an amount exceeding the total assurances written in 1922. We may well rejoice over the magnitude and importance of the social service which the Company is performing.

"During the past year life assurance has been tested as perhaps never before, and it has withstood the trial triumphantly. So far as I am aware not one life company on the continent has had to close its doors, a wonderful record. In Canada we can claim with pride that even since Confederation not one Dominion licensed company has ever failed.

"It will be noticed that in addition to the surplus of \$16,000,000 over all liabilities and capital stock, we have a contingency reserve of \$4,700,000 to provide for possible shrinkage in mort-

gages and other real estate investments. Our reserves have been calculated on the same strong basis as last year. Although our investments payable in American currency greatly exceed our liabilities in that currency, we have treated both as on a par, taking no credit for the premium on American funds. Our liabilities under contracts in other currencies also are included at a total greater than required at the prevailing rates of exchange.

"Our holdings of stocks have been valued on the basis laid down by the Dominion Department of Insurance, which is practically the same as that adopted for all companies by the National Convention of Insurance Commissioners of the United States.

"In new investments we have favoured high grade bonds, the yield on which is now very attractive.

"The profits paid or allotted to policyholders amounted to over \$26,000,000, or over 20 per cent. of the total annual premium income.

"In the light of these figures, the report is indeed an excellent one.

"And what of the future? No one believes that the depression will last for ever. It is impossible to say just when the turn will come, but with the vast natural resources of this continent, and the brains, energy, and actual wealth of its people, business recovery is inevitable. When prosperity does return no company will share in its benefits in greater measure than our own."

—From the President's Address at the Annual Meeting.

SIXTY-ONE YEARS OF SERVICE

SUN LIFE ASSURANCE COMPANY OF CANADA

A S Y M B O L

of outstanding achievement...

"Phi Beta Kappa of Life Insurance"
... the gold key worn by members
of The Union Central \$500,000 Club.



WITH pride in their splendid record and confidence in their future achievement, The Union Central presents to the insurance fraternity the members of its \$500,000 Club. These Underwriters were installed at the second annual meeting of the organization recently held in Miami, Florida.

President of the Club by virtue of leadership of the entire



RICHARD J. CONHEIM

Union Central Field Force is Richard J. Conheim. Vice-President is Joseph Gross, who has sold more than a half million annually for the last 13



JOSEPH GROSS

THE UNION CENTRAL \$500,000 CLUB ROSTER

H. Sheridan Baketel, C. L. U.	Hamilton Lee
*†Walter E. Barton	† J. Early Lee
*Charles A. Blatchley, C. L. U.	† William B. Lee
* Theodore M. Bumiller	Harry T. Licklider
Leo J. Burns	Stephenson W. McGill
William W. Bussey	John J. McLean
* Fay W. Clubb	Enid S. Miller
* Richard J. Conheim	William B. Monroe
*†Joseph P. Devine	* Earl V. Reed
* John A. Doyle	John R. Riha
*†O. J. Fisher	* William Rodgers
* Joseph Gross	* Charles Romer
Allan E. Guberman	* Robert A. Sasseen
* Louis Guberman	* John C. Sebastian, C. L. U.
* Marshall T. Hearne, Jr.	† Harry J. Spencer
*†M. G. Hodnette	* Herman Stark
* Sadie L. Hoffman	* Frank H. Strietmann
James D. Kauffman	* Authur W. Tell
Frank W. Kingett	* J. Mitchel Thorsen
*†Charles B. Knight	* Diederich H. Ward
Marion A. Knight	* Fred Watson
* Maurice C. Kramer	*†B. A. Wiedermann
	*†Emmet C. Wier
	* Edwin A. Zelnicker

* Indicates two-year membership.

† Manager member.

Over One and One-Half Billions in Force



**The Union Central
Life Insurance Company**
of Cincinnati

PERSONAL GLIMPSES of LIFE UNDERWRITERS

(CONTINUED FROM PAGE 12)

of his outstanding characteristics, conferred upon him the honor of laying the cornerstone of the new building and of giving the address on that occasion. In August, 1930, Captain Kellogg celebrated a half century of service with the Connecticut Mutual.

Captain Kellogg was born in Erie, Pa., March 5, 1844. Later he went to Connecticut and at the age of 18 entered the Civil War, gaining the rank of sergeant major. Later he became captain on the staff of General Prentiss of the national guard. Because he was a typical soldier, his portrait was erected in bronze on the capital grounds in Hartford.

In 1880 he became a representative of the Connecticut Mutual, and shortly after was appointed general agent for the greater part of Connecticut. In 1883 he was made general agent in Ohio, and later district superintendent of agencies in that state. Up to his death he has been supervisor of agencies, residing in Delaware, O.

The 19th anniversary of F. G. Pierce as manager of the Connecticut General in Philadelphia was celebrated at the annual dinner of his agency. A book of letters of congratulation from the field force of the agency was presented to him. Several home office officials addressed the gathering.

New Jersey bankers and life underwriters attended a testimonial luncheon

Monday in honor of Leslie G. McDouall, associate trust officer Fidelity Union Trust Company of Newark, in recognition of his splendid cooperation with the life underwriters fraternity, his recent appointment as chairman of the life insurance committee of the trust division of the American Bankers Association and his fortieth birthday. A. F. Gillis, general agent Provident Mutual Life, acted as chairman.

John B. Barnes, for some time the leading producer of the San Antonio agency of the Missouri State Life, died at a hospital there after an operation for appendicitis.

Mrs. W. S. Pritchard, Garner, Ia., director of the American family division of the National Association of Life Underwriters, in company with her husband, has started on a motor trip of eight weeks during which she will lecture in Indiana, Mississippi, Alabama, South Carolina, Kentucky and Florida. Mrs. Pritchard also plans to broadcast in several of the larger cities of the south. She will talk on "The Value of Life Insurance in the American Home."

James H. Jamison, 72, well known Iowa insurance executive, died at his home in Des Moines. Mr. Jamison had been in ill health for about eight years. He was president of the Western Life of Des Moines for 11 years after a long record as state senator. While a member of the senate he had a prominent part in drafting Iowa's insurance laws.

Mr. Jamison was active as president of the Western Life from 1913 until it was merged with the Royal Union Life of Des Moines, at which time he retired.

LIFE AGENCY CHANGES

Is Reorganizing Large Field

Fidelity Mutual Following Termination
of D. R. Midyette Co. Contract
Is Making Appointments

The Fidelity Mutual Life is reorganizing its agency structure in Virginia, North Carolina, South Carolina and the district of Columbia. This territory has for many years been under the franchise of the D. R. Midyette Company of Richmond, Va. This contract has been terminated by mutual agreement. The Midyette connection with the Fidelity Mutual dates from April 6, 1884. A large part of the territory now released will be reorganized.

Carroll H. Jones, who has been with the company 32 years, and in charge of South Carolina nearly all of that time, has been appointed manager for the state under direct contract. Stanley H. Gettis, well-known to the Fidelity Mutual field, has been appointed manager for the District of Columbia. D. R. Midyette has requested the Richmond field and contract is now being arranged.

Pending the development of more definite plans for the reorganization of Virginia and North Carolina, the company is reappointing under direct arrangement all agents in those states.

Lawrence McDonough

Lawrence McDonough, who was formerly connected with the Mutual Benefit Life, has been appointed general agent of the Mutual Trust Life of Chicago at Cleveland.

E. L. Williams, A. W. Hostetler

A. P. Ballou, Detroit manager Mutual Life of New York, has appointed E. L. Williams, formerly agency organizer, as educational director. He succeeds Bryson Loughridge, who resigned to become assistant manager of the Prudential ordinary branch in Detroit. Mr. Williams joined the Mutual

Life in 1924 in Kentucky under Mr. Ballou, who was then manager for that state. He left the Kentucky agency to take up other work in Detroit and five years ago, when Mr. Ballou went to Detroit as manager, Mr. Williams rejoined him.

A. W. Hostetler, assistant manager of the Missouri State Life branch in Detroit, succeeds Mr. Williams as agency organizer of the Mutual Life office.

A. E. Kraus

A. E. Kraus, who has been general agent for the Monarch Life and Monarch Accident at Portland, Ore., for the past two years, has been transferred to Oakland, Cal., as general agent for the merged Monarch Life, covering central and northern California.

R. W. Carr

R. W. Carr has been appointed north-west Arkansas supervisor for the Northwestern National Life with headquarters at Fayetteville. He succeeds C. T. Smith, who joined the Aetna at Little Rock.

H. M. Walker

H. M. Walker, St. Paul manager for the Travelers, has been promoted to manager in Buffalo. Before leaving St. Paul he was guest at a testimonial dinner given by 50 of his associates. Weymouth L. Murrell, agency assistant from the home office, is temporarily in charge of the St. Paul office.

William H. Bender

William H. Bender, formerly an agency manager of the Equitable Life of New York in Chicago in charge of what is now known as the Nolan agency, has been appointed assistant manager of the P. B. Hobbs agency of the Equitable in Chicago. Mr. Bender quit some time ago to go into the investment business, and later returned with the Equitable, connected with the Boyce agency at Syracuse, N. Y. He was transferred from this post to the Hobbs

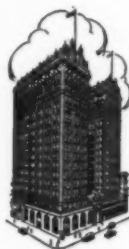
The Dividing Line Between Selling AND Successful Selling

The dividing line is development.

The trained man finds it easier to sell larger policies, for a greater volume each year, to a higher type of buyer.

The Jefferson Standard has a training course that prepares its representatives for greater successes in selling.

We have desirable openings, all over our territory, for ambitious men who are willing to pay the price of success in work.



Home Office

●For information address:
A. R. Perkins, Agency Manager

**JEFFERSON STANDARD
LIFE INSURANCE COMPANY**

JULIAN PRICE, President

Greensboro, North Carolina

Washington

Lincoln's Tribute

"Washington is the mightiest name on earth—long since mightiest in the cause of civil liberty; still mightiest in moral reformation. To add brightness to the sun or glory to the name of Washington is alike impossible. Let none attempt it. In silent awe let us pronounce that name, and in its naked, deathless splendor leave it shining on."

THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

Philadelphia

W. L. MOODY, JR.
President

W. L. MOODY, III
Vice-President

W. J. SHAW
Secretary

SHEARN MOODY
Vice-President

J. B. MILLS
Asst. Vice-President

AMERICAN NATIONAL INSURANCE COMPANY

HOME OFFICE:
GALVESTON, TEXAS

Insurance in Force \$542,054,101.00

Assets \$47,681,787.50

Surplus 7,278,118.59

ORDINARY—INDUSTRIAL

●
We Have Openings for Live Men in

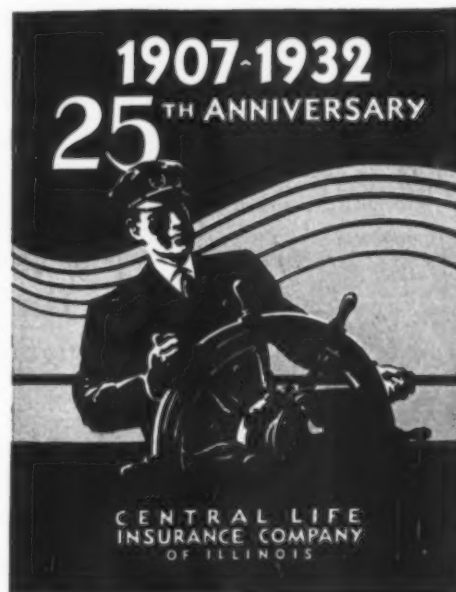
California	Kansas	Minnesota	South Carolina	Virginia
Colorado	Kentucky	Missouri	Tennessee	West Virginia
Georgia	Michigan	North Carolina	Texas	Washington

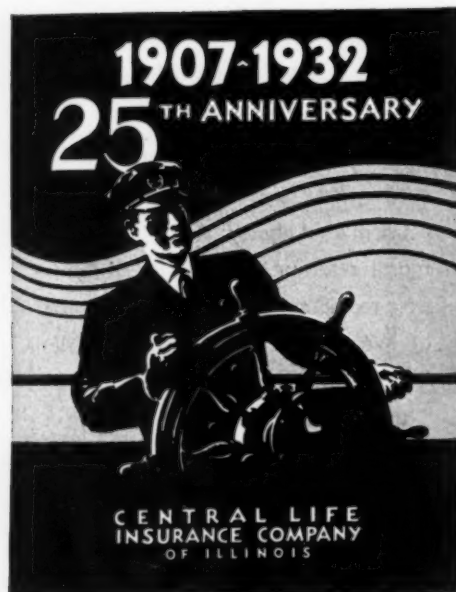
Liberal First Year and Renewal Commissions

Up to Date Policies—Non Medical—Special Low Premium Plans

If Interested Address

AMERICAN NATIONAL INSURANCE CO.
GALVESTON, TEXAS





Preferred Policies at Preferred Rates for Preferred Risks

have been featured by this company since its organization in 1907.

Agency openings are available in Illinois, Indiana, Michigan and Missouri.

BANKERS MUTUAL LIFE COMPANY

FREEPORT, ILLINOIS

Over \$1,800,000.00 paid
in claims since organization

Insurance in force
over \$34,000,000.00

agency. He has had about 15 years' life insurance experience and will build a new unit for Mr. Hobbs.

L. T. Hemmelgarn

Lee T. Hemmelgarn, formerly of Sioux City, Ia., and St. Paul, where he was general agent for the Union Central, has been appointed a supervisor in the White & Odell agency of the Northwestern National Life of Minneapolis.

neapolis. Mr. Hemmelgarn's work will consist largely of recruiting and training new agents in Minneapolis and St. Paul.

Life Agency Notes

F. B. Hawkins has been named general agent for the United States Life at Hempstead, N. Y.

Ben A. Brower is the new southwestern Iowa district manager for the Equitable Life of Iowa, with headquarters at Shenandoah.

NEWS OF THE COMPANIES

Founders' Month Campaign

North American of Chicago Carries Out Silver Anniversary Idea in February Drive

Agents of the North American Life of Chicago are in the midst of a Founder's Month campaign, running 25 days from Feb. 4 to 29. The whole drive is built around the silver anniversary idea, the company having seen the light of day Feb. 4, 1907. Every agent has a quota of \$25,000 and there will be 25 men selected from the leaders as members of a "Loyalists" group. For a change the North American is offering no prizes to its leaders in this campaign save the commissions they will make.

Officers attended a number of agency meetings in the central west. One was at the Wisconsin agency in Milwaukee of Walter Turck, at which Vice-President Paul McNamara and Freeman Alford, publicity director, were speakers. Another was at the Columbus, O., agency of Harry Kramer, second vice-president of the North American, at which President E. S. Ashbrook was a speaker. Another regional meeting was at Detroit, attended by the combined Michigan agencies, with Vice-president McNamara and Dr. C. B. Irwin, medical director, as guest speakers.

Company Statements Scanned

Much Interest Is Taken in Analyzing the Figures From the Financial Exhibits

The Guardian Life showed a 20 percent gain in production last year. Its insurance in force is now \$516,201,459. Its assets are \$91,819,758 compared with \$84,737,076. Its mortality ratio was 47 percent. Its interest rate earned was 5.71 percent. It reached a new record of surplus earnings of \$4,133,380. Of this amount \$3,550,000 has been set aside for dividends. After charging off \$90,269 against depreciation on buildings, a balance of \$493,111 was added to general surplus. The policyholders' surplus is now \$4,757,601. A special reserve of \$650,000 has been set aside for contingencies. On funds left with the company 5 percent is allowed.

Colonial Life Report

The Colonial Life of New Jersey reports insurance in force of \$126,980,459. New business in 1931 was greater by \$6,059,237 than in 1930.

Assets amounted to \$17,524,671; total income, \$6,101,284. Total payments to policyholders since the company was organized amount to \$21,422,998.

Midland Mutual Figures

The Midland Mutual Life of Columbus, O., had a mortality ratio last year of 44.3 percent. Its net interest earned was 5.4 percent. It now has almost \$112,000,000 of insurance in force. Its surplus is \$1,617,984 including capital \$300,000 and net surplus of \$886,299. It has paid policyholders since organization \$16,564,355.

Great Republic's New Lineup

Oklahoma Interests Assume Control of Los Angeles Company—McComb New President

At the annual meeting of stockholders of the Great Republic Life of Los Angeles, a new board of directors was elected largely representing the group of Oklahoma capitalists that recently acquired control of the company. New directors are T. J. McComb, former Oklahoma commissioner and now a consulting actuary; his son, T. M. McComb, also a consulting actuary; S. A. Apple, Oklahoma banker and oil operator; T. H. White, Oklahoma City; G. A. Henshaw, former Oklahoma corporation commissioner; H. L. Bolea, former internal revenue collector of Oklahoma; G. H. Dale, Oklahoma life insurance executive; C. G. Anderson, Oklahoma capitalist; W. H. Savage, vice-president Great Republic Life; L. E. Smith, Orange, Cal., and R. T. Nourse, assistant secretary Great Republic. Messrs. Henshaw and Bolen are both officials of the Transcontinental Life of Oklahoma City.

The new board then elected the following officers: T. J. McComb, president; W. H. Savage and G. H. Dale, vice-presidents; T. M. McComb, vice-president and actuary; S. A. Apple, treasurer; T. H. White, secretary; G. A. Henshaw, general counsel.

The stockholders approved a proposal to increase the capital from \$250,000 to \$1,000,000, in connection with the expansion plans of President McComb.

Western & Southern's Assets

In last week's issue on page 13, the assets of the Western & Southern Life of Cincinnati were incorrectly given as \$14,861,182. This is obviously a mistake. The proper figure is \$124,861,182.

Life Company Notes

The Missouri department has announced that the **National Aid Society** of Indianapolis is not licensed in Missouri. The society is said to operate by mail and requests policyholders to sell insurance to their relatives, friends and acquaintances.

The **Universal Life & Accident** has moved its home office from the Santa Fe building to its own building, located on the corner of North Ervay street and Patterson avenue, Dallas. This property was recently purchased by the company, and the second floor remodeled to accommodate home office work.

Holding Company Formed

A charter for the Southern Insurance Securities Corporation is being sought from the superior court of Atlanta by a number of insurance and financial men. The corporation would be in the business of buying and selling insurance stocks and organizing insurance companies. Capital will be \$1,000,000. George W. Powell, who was vice-president of the Georgia Casualty, and before that was connected with the American Mutual Liability, General Accident and Maryland Casualty, has established headquarters in the Norris building, Atlanta. Others who are interested are Horace Russell, J. A. Copeland and M. B. Farris.

AMONG COMPANY MEN

Smith Made General Manager

President MacDonald of Confederation Life Relinquishes Title and Actuary Is Advanced by Directors

Directors of the Confederation Life of Toronto have promoted V. R. Smith from assistant general manager and actuary to general manager and actuary. C. S. MacDonald, who has been president and general manager, is now relinquishing the latter title. Mr. Smith has had a long experience with the Confederation, and in recent years has been personally active in developing its field organization.

Coffin and Smith Visit Field

Vincent B. Coffin, superintendent of agencies of the Connecticut Mutual and G. F. B. Smith, agency assistant, are making an extended trip this month. Mr. Coffin and Mr. Smith will both cover the agencies first on their itineraries and then each will visit individual agencies. Toward the close of the trip they will again be together. Agencies visited will be Cincinnati, Detroit, Pittsburgh, Harrisburg, Philadelphia, Scranton, Fort Wayne, Rockford, Erie and Columbus. Mr. Coffin will, at the close of the trip, speak at the Columbus and Cincinnati sales congresses. At the various agencies Mr. Coffin will talk on "Three Steps in the Sale" and "Motivation in Selling," while Mr. Smith's topics are "The Company's Financial Statement in 1931" and "Planning Sales in 1932."

Vetter Midland Life Official

The Midland Life of Kansas City has elected Lester H. Vetter assistant secretary and assistant actuary. J. D. Reynolds replaces R. P. Rice on the finance and executive committee. All the old officers were reelected. The directors of the company voted its usual quarterly dividend.

Haas Agency Supervisor

The Great Republic Life of Los Angeles has appointed Loren G. Haas as agency supervisor. Mr. Haas has been with the company for the past ten years as general agent at Bakersfield and has made his agency a leader in the production of business. He is a former president of the Bakersfield life underwriters' association.

Keep Faith

The primary function of life insurance is to compensate a beneficiary for financial loss sustained at the death of the insured. This should be the foundation upon which every new sale rests, and, equally important in the midst of today's hysteria, it should be the argument used to discourage the mortgaging of protection already established.

An insured's FIRST OBLIGATION is to those who are dependent upon him, for it is undeniably true that death releases the father but binds the family. Underwriters who formed the short-sighted habit of selling cash values as a line of least resistance in getting business are today finding their tactics a boomerang in the shape of vanishing renewal income. This is the outcome of policy loans and the lapses which they inevitably engender.

When life insurance is again restored to its rightful place in the mind of the salesman, he will picture and sell it as protection against the ravages of life's SUPREME EMERGENCIES—OLD AGE AND PREMATURE DEATH—rather than as a mere instrument to satisfy the demands of temporary embarrassment.

**AMERICAN
CENTRAL
LIFE
INSURANCE COMPANY
Indianapolis**

IN THE SOUTH AND SOUTHWEST

False Statements Not a Bar

Assured Can Recover Since Original Application Was Not Attached to Policy, Court Holds

Under the Louisiana law, false statements in the application for reinstatement do not bar recovery when the policy does not include the entire contract between the parties, including the application for the original insurance. This was the decision of the Louisiana supreme court in Eddins vs. National Life & Accident.

The National Life & Accident set up that the assured, in her original application and also in her application for reinstatement, made false statements as to her health. The court of appeals found that inasmuch as the original application was not attached to the policy, the false statement therein did not bar recovery, but false statements in the reinstatement application did bar recovery.

The supreme court stated that the ruling of the court of appeals is in direct conflict with the decision of the Louisiana supreme court in Fizette vs. Mutual Life of New York, 162 La. 620. The language of the statute, act no. 227 of 1916, according to the supreme court, is plain in its requirement that every life insurance policy shall contain the entire contract between the parties; that nothing shall be incorporated therein by reference to the application or any other document unless the same is endorsed upon or attached to the policy. Until the legislature amends the statute as to application for reinstatement, the decision in the Fizette case will be adhered to, the Louisiana supreme court stated.

Injunction for Bankers Guaranty

AUSTIN, TEX., Feb. 18.—A temporary injunction has been issued against the Bankers Guaranty Life of Dallas restraining it from further operation at the request of the attorney-general. He has made charges that the company is hopelessly insolvent to the extent of \$336,211. He charges that the officers paid themselves unreasonable salaries. The Bankers Guaranty Life is operating under a charter issued by the secretary

of state and has never subjected itself to the supervision of the insurance department.

County Licenses Upheld

Judge Humphries in Fulton superior court in Atlanta, Ga., has ruled that Georgia agents must pay a \$10 license fee for every county in which they operate. L. S. Brannon, an agent, together with about 20 others, sought to enjoin collection of the special license. A representative of the comptroller's office told the court that every agent in Georgia except for a few representatives of industrial companies had paid the fee.

Pan-American's Florida Change

The Florida headquarters of the Pan-American Life have been moved to Miami from Jacksonville, in charge of Ryan & O'Brien, with offices in the Security building. Dr. E. G. Simmons, vice-president and general manager, was in Miami to arrange for the transfer.

Samuel Sowden of Belle Glade has been appointed manager of the newly created Everglades district.

Liability Despite Release

The Arkansas supreme court has held that a release executed by the beneficiary is not binding upon her, nor a bar to an action to enforce payment, according to the terms of the policy, where the insurer fails for more than five months after procuring the execution of the release to pay her the consideration therefor. The case was Southwestern Life vs. Hillson.

Mississippi Tax Measure

The new revenue measure now before the Mississippi legislature for action has the following provision: Foreign life companies are to be taxed annually 2½ percent on gross premium receipts; health, accident or industrial companies, 2½ percent; other than life or accident and health, 3 percent.

An investigation by the Virginia State Corporation Commission of industrial companies doing business in Virginia, is provided for in a resolution reported out this week by the house committee on insurance.

PRESENTING A NEW RETIREMENT INCOME BOND

Deferred Monthly Income

Cash Values

Death Benefits

Participation in Surplus

Privilege of Conversion to
Income at Earlier Age

The Mutual Benefit Life Insurance Company
Newark, New Jersey

• • MODERN LIFE INSURANCE SINCE 1845 • •



SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri

INTERSTATE RESERVE LIFE INSURANCE COMPANY

A Mutual Legal Reserve Life Insurance Company
Ten East Pearson Street : : : Chicago

An UNUSUAL Contract

will be offered to

An UNUSUAL Man

WHO

- | | |
|--------------------------------|-------------------------------------|
| —is a producer | —will WORK |
| —is, of course, honest | —can organize |
| —has three years of experience | —needs no drawing account or salary |
| —needs no financing | —needs no office expense |
| —is seeking opportunity | |

BUT

WHO will accept Home Office help in the appointment of new Agents under him for whom he will not be responsible financially and yet on whom he will receive overwriting Commissions as high as \$4 per thousand and long time Renewals.

THE COMPANY—is rated "A" by Best. Its rates for Insurance are extremely low

(Age 35 Ordinary Life Net Cost
First year per thousand \$17.85)

It writes all latest forms—Participating only—including an improved Family Income form; also Juvenile. Has over \$135,000,000 in force.

TERRITORY—The Company desires especially to develop Indiana, Illinois, North Carolina and Texas.

ASSISTANCE—Experienced field men to help the man selected to build a real agency in which the Renewals are NON-FORFEITABLE.

WE WANT AN UNUSUAL MAN

UNLESS you have no present connection, or you have a real reason for leaving your present connection and are not at fault yourself, we are not interested. Write fully about yourself. We will not communicate with references until after interview. Write U-50, The National Underwriter.

PACIFIC COAST AND MOUNTAIN

Goes to Oregon Mutual Life

Philip A. Koerner Is Appointed General Agent for That Company at Oakland, Cal.

Philip A. Koerner, formerly general agent at Oakland, Cal., for the California - Western States Life, has been appointed general agent there for the Oregon Mutual Life. He succeeds P. M. Riley, who resigned to devote his time to personal production. Mr. Koerner started with the Equitable of New York as a personal producer and later was made unit manager for the San Joaquin valley. His next connection was with the California State Life as general agent at Oakland and continued when the California-Western States Life was formed.

Before entering life insurance, Mr. Koerner was a baseball player of note, having played with a number of Pacific Coast clubs and also in the major leagues. He has written several large cases on baseball stars.



P. A. KOERNER

Doorschodt Is Supervisor

J. C. Doorschodt has been appointed educational director for the Insurance Foundation, Ltd., San Francisco, organization which has a general agency for Oregon, Washington and California for the North American Life of Chicago. The president of the agency is S. H. Silver, well known on the Pacific Coast as

a life producer and organizer. Mr. Doorschodt is one of the younger insurance men in San Francisco and has had considerable experience in agency development and training. The Pacific Coast department through its general agency operations is producing a little better than \$2,000,000 per year.

Award to Gregory Agency

E. H. Lestock Gregory, general agent Aetna Life in San Francisco, has been advised that his agency has been awarded the president's trophy in the Pacific division for outstanding work in 1931.

Hear Talk on Far East

Prof. Marshall Dimock of the University of California addressed the Life Managers Club of Los Angeles on "Lengthening Shadows in the Far East," discussing the situation in Manchuria, China and Japan.

There was a brief discussion of plans of the Life Underwriters Association of Los Angeles for an all-day sales congress March 4. Headliners already engaged are F. M. See, St. Louis general agent Union Central Life, and Frederick Faulkner, superintendent of field service California-Western States Life. Other prominent speakers are promised.

Warrant for Assessment Agents

PORTLAND, ORE., Feb. 18.—Warrants have been issued at the request of Commissioner Averill for the arrest of Guy R. Hibbard and A. J. Reed, charged with being unauthorized agents and writing insurance in companies not authorized in Oregon. Hibbard and Reed were agents of the American Benefit Life Association, small Springfield, Ill., assessment outfit with \$3,000 assets.

ACCIDENT AND HEALTH FIELD

Watt Heads Cleveland Club

Move Is Launched to Increase Attendance at Monthly Meetings to Fifty

W. E. Watt of the Continental Casualty was elected president of the Cleveland Accident & Health Insurance Club at the annual meeting to succeed G. H. Knight. The club, theretofore known as the Cleveland Casualty Conference, was reorganized last year and is now composed of most of the leading managers of commercial, monthly payment and weekly accident and health companies in Cleveland. Meetings have been held every month for 19 years. The average attendance at the monthly meetings has been 30 and an attempt will be made to increase the attendance to 50 during the meetings this year.

The new vice-president is H. A. Cunningham, Aetna Life; secretary, A. J. Althaus, Aetna; treasurer, J. J. McKnight, United Casualty. The directors are T. D. Russell, North American Accident; G. H. Knight, Federal Life & Casualty; H. H. Hoard, National Casualty; H. G. Kenniston, Commercial Casualty, and H. O. Brinker, Federal Life & Casualty. Chairman of the membership committee is Mr. Cunningham; publicity, Mr. Knight; legislative, Mr. Russell, and program, W. D. Horn.

Aetna Life's Policies

In putting its new accident program in effect March 1 in connection with the schedule outlined by the Bureau of Per-

sonal Accident & Health Underwriters the Aetna Life states that it will have ten accident and three health policies.

Non-Can Announcement Is Now Set for About April 1

The long-delayed radical changes in non-cancellable accident and health rates, forms and rules have assumed final form, but are being temporarily withheld for approval of forms by insurance departments.

It was expected by the Continental Assurance and Pacific Mutual, the principal companies doing this business, that announcement could be made by March 1, but it now seems improbable that promulgation will be made before April 1. It is generally known that there will be a stiff increase in rates, variously reported up to 50 percent.

Metropolitan Life Raises Rates

The Metropolitan Life has increased rates on all contracts issued by its accident and health department. A 20 percent increase in rates is made on death and dismemberment policies. Rates on the standard accident policy are increased a little more than 10 percent and on the standard accident and health policy about 15 percent. Rates for the standard accident and health policy are now quoted in six age groups. Heretofore rates on the disability policy were quoted in a single figure up to age 30 and then were graded differently for each age above that. The new rate for the standard accident policy for \$5,000 principal sum and \$25 weekly in the

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Policies in force prior to the change if renewed will be continued at the rates in effect at time of issue, but if allowed to lapse cannot be revived at those rates. In making the announcement President Ecker stated, "These changes become necessary in order to adjust premium rates to our own experience, also to conform to the combined experience of a large number of companies and to arrive as nearly as possible at uniform classifications."

Issues Cash Value Form

The Gibraltar Life & Accident of Denver has discontinued all its accident and health policies on the purely cost basis and is issuing a new policy form, non-cancellable and guaranteed renewable, with cash, loan and extended insurance values beginning at the end of the second year. The rate charged for \$5,000 principal sum and \$100 monthly indemnity is \$95. All ages are written

at the same rate. Indemnity for total disability is limited to 12 months, with three months for partial accident disability and six months for non-confining sickness. In case of natural death the cash value is payable to beneficiary. It is added to the face of the policy in accidental death.

Issues Eyesight Cover

A novel eye accident policy is being issued by the National Standard Accident of Houston, Tex., running mate of the National Standard Life. For a \$100 premium, which may be paid in one sum or divided into as many as 20 payments, eye coverage is provided for the balance of life. Robert Broussard II, vice-president of the National Standard, is originator of the policy.

Eyesight insurance seems to be coming into favor again. Two companies organized in recent months are writing the cover—the American Fair Mutual Liability of Norwalk, O., and the Beacon Mutual Casualty of Chicago.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Southeastern Life Revises Disability Forms and Rates

The Southeastern Life of South Carolina has discontinued income disability and reduced premiums on practically all forms. It recently increased its waiver of premium disability rates 50 percent. Six months' continuous disability for proof of permanence will be required. No change is being made in surrender values. Rates for the preferred risk and term policies do not change. The new rates are:

Age	End. 20-Pay	Age	End. 20-Pay	Age	End. 20-Pay
85	85	85	85	85	85
15.....	12.46	20.20	39.66	.....	14.40
20.....	13.82	21.80	39.93	17.79	16.37
25.....	15.54	23.74	40.30	19.84	18.98
30.....	17.76	26.10	40.82	22.54	22.51
35.....	20.66	28.98	41.61	26.21	27.43
40.....	24.52	32.59	43.11	31.39	34.83
45.....	30.14	37.72	45.55	39.07	.....
50.....	37.89	44.51	49.59	51.42	.....
55.....	48.62	53.69	56.20	70.42	.....
60.....	63.84	66.71	67.52	99.82	.....

Lamar Life

Changes in disability benefits and rules were made effective Feb. 15 by the Lamar Life of Jackson, Miss. The new income clause provides \$5 a month for \$1,000, and reduction of age limits, limiting to men only and for a minimum policy of \$3,000. Dr. J. O. Segura, vice-president and medical director, announced that the income benefit provides for waiver of premium for total disability before policy anniversary nearest 55. On endowment policies income stops at maturity. Waiver of premium will be issued in the minimum amount of \$1,000. New rates were adopted for the waiver, applying only to standard risks in select occupations. The benefit may be added

to old policies in connection with medical examination for new insurance. Premium waiver will be granted only to unmarried, self-supporting women of ages 18-45, and to men 18-50.

Pacific Mutual

The Pacific Mutual will shortly issue a somewhat reduced dividend scale. The company, in its annual report, says: "The falling off of profits in our loans has necessarily affected dividends to policyholders, but we are pleased to state that our dividends continue on a very good scale although somewhat reduced."

Pilot Life

The Pilot Life of Greensboro, N. C., is continuing its disability provisions but under new provisions. Income disability will be issued on males between 15 and 50 only. It will be paid only when insured becomes totally and permanently disabled before reaching age 55. Income will be \$5 per month per \$1,000, and waiting period six months. Maximum amount of insurance issued with income disability will remain at \$25,000 and rates are unchanged. Waiver of premium will be issued to single business women and on male lives at present rates.

Ohio National Life

The Ohio National Life announces that effective April 1 it will put into effect a new dividend schedule. On most plans the reduction will be about 20 percent. On others it will range from 10 to 30 percent. On funds left with the company the dividend rate will be 4 percent. The discount rate on premiums paid in advance will be 4 1/2 percent for the first five years and 4 percent thereafter.

GENERAL AGENCY NEWS

C. O. Fischer's Men Gather

St. Louis General Agency of Massachusetts Mutual Life Holds Annual Convention

More than 120 persons attended the annual convention and banquet of the C. O. Fischer general agency for the Massachusetts Mutual Life in St. Louis. "Organizing the agent and organizing the buyer to buy," was the theme. F. T. McNally, Massachusetts Mutual general agent for Minnesota, was the banquet

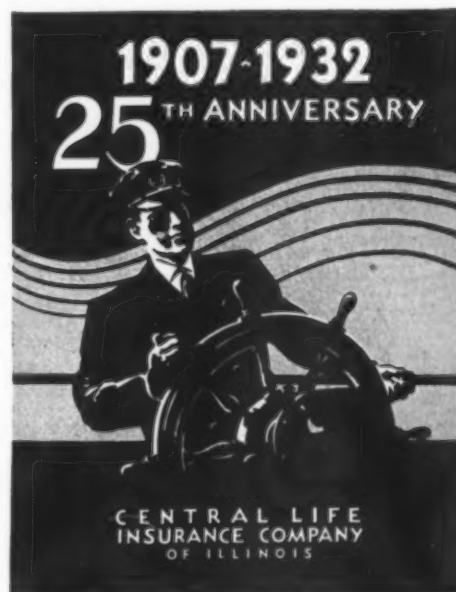
speaker. His subject was "The Corner of Eighth and Main."

Vice-President J. C. Behan was toastmaster. The St. Louis agency had its largest year in 1931 and set a higher goal for this year. The leader in new business was W. Scott Smith and the leader in number of lives A. E. Beith.

Roger E. Lord is the new president of the St. Louis organization.

Celebrate New Detroit Record

Managers and agents of the Western & Southern Life, 300 strong, attended a sales congress in Detroit to celebrate



When was there ever a greater need for

Business Insurance?

Certainly, today, the great part which life insurance can play in the affairs of business should be apparent to most prospects. Yet, to sell Business Insurance, you need a **specialized knowledge** of how insurance can best be applied to the many different types of business.

All Important Phases Treated

The book, **BUSINESS INSURANCE**, written by a practical and successful salesman, Leon Gilbert Simon of New York City, covers the entire field of selling Business Insurance. Beginning with an explanation of the "Life Values" of Business Insurance, including credit, it discusses the Business Insurance Agreement, the Use of Trust Companies—Partnerships—Corporations—Sole Proprietorships (and their differences). Prospecting, Methods of Approach and Selling each. Actual Interviews, Analyses of Cases, Legal Aspects and many other important subjects are treated in this outstanding book.

This book will really show you how to sell it.

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Send me on "ten day approval," at \$100 each, a copy of SIMON'S "BUSINESS INSURANCE." Name _____ Company _____ City _____ State _____ To The Insurance Book House, 420 E. 4th St., Cincinnati



THE FORMULA OF SUCCESS

LIFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

THE MUTUAL LIFE OF NEW YORK, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

The Mutual Life Insurance Company of New York

34 Nassau Street

DAVID F. HOUSTON
President

GEORGE K. SARGENT
Vice-President and
Manager of Agencies

ARE YOU AWAKE TO OPPORTUNITY

Life Insurance Men of Vision Know That the Greatest Opportunity

Is with the Company That Is

NOT TOO LARGE

NOT TOO OLD

NOT TOO SMALL

NOT TOO YOUNG

The Solid Growing Company Officered by Men Who Are Agency Minded

WE HAVE THE TOOLS

Participating and Non-Participating Policies—Men and Women on Equal Terms—Total Disability and Double Indemnity

Circularization Aids — Supervisor's Help — Direct Contracts, Human Relations, Liberal Contracts and Special Producer's Clubs

If You Are Ready for a General Agency There Is Desirable Territory Open in IOWA—NEBRASKA—MINNESOTA—AND SOUTH DAKOTA

THE OLD LINE CEDAR RAPIDS LIFE INSURANCE COMPANY

Jay C. Sigmund—Vice-Pres. & Agency Director
COL. C. B. ROBBINS, Pres.

CEDAR RAPIDS, IOWA

C. B. SVOBODA, Secy.

a record one-week drive on industrial business, with an average of \$15.32 in premiums per agent for the week.

The principal speaker was J. F. Ruehlman, vice-president. S. H. Smith, superintendent of agencies, presided. J. J. Doyle, publicity manager, also spoke.

A meeting was also held in Indianapolis to celebrate a similar record there.

Mielenz Agency Wins Trophy

The A. E. Mielenz general agency of the Aetna Life at Milwaukee, covering Wisconsin and northern Michigan, has

been awarded the western division trophy for the best managed agency. In 1931 the Mielenz agency made an increase in all lines of business. For 1929 it won the national trophy awarded by the Aetna to the best managed agency.

Embry Has Record Year

The A. M. Embry agency of the Equitable of New York in Kansas City paid for \$18,774,723 in 1931, the largest in its history. It placed fifth for the year. Paid business for January exceeded that for January, 1931, about 20 percent.

NEWS OF LIFE ASSOCIATIONS

Texas Sales Congresses Held

Prof. Huebner, President Storer and Vash Young Feature Programs at Dallas, San Antonio and Houston

DALLAS, TEX., Feb. 18.—More than 600 north Texas life agents attended the one-day sales congress held here by the Dallas and the Texas Associations of Life Underwriters. Other congresses were held at San Antonio and Houston. The three main speakers at Dallas, Prof. S. S. Huebner, University of Pennsylvania; Elbert Storer, president National association, and Vash Young, New York, also spoke at the other meetings.

Dr. Huebner discussed the American College of Life Underwriters and its functions, and "Investments and the Personal Economic Problems." The latter subject was handled at a public meeting attended by insurance men and the laymen.

Life insurance as a property is the newest idea in selling according to Mr. Storer. He told how his agency had increased 50 percent during the past four months through the stressing of that phase of the business. He said after all life insurance is a property and a very valuable one. He found that business and professional men as well as all other classes are breaking away from the old idea "you have to die to get the benefit of insurance," and learning that they can and will get the benefit while they live if they invest in the right kind of coverage.

O. S. Cummings, vice-president Texas association, and Jack Neil, superintendent of agents Seaboard Life, also spoke.

Utah—The Utah association held a sales congress in Salt Lake City Feb. 17. Ephraim Poulter, president of the association and local manager of the West Coast Life, was in charge. R. B. Hull, managing director National association, was the principal speaker. Dr. C. J. Rockwell conducted the congress.

Mobile, Ala.—C. M. A. Rogers, Mobile attorney, addressed the February meeting of the Mobile association on "Insurance and Trust Estates," calling attention to the legal aspect of trusts.

Mrs. W. S. Pritchard, head of the department of the American family of the National association, will address the women's clubs of Mobile in the near future. Vice-President F. L. Jones of the Equitable of New York is to address the March meeting.

Oklahoma—Constructive ideas of a million dollar producer were presented to the Oklahoma association by Frank M. Engle of Tulsa at Saturday's meeting. Mr. Engle in 15 years has written more than \$5,000,000 of insurance, with more than \$150,000 in premiums. For two years he produced a million a year and maintains an average of \$500,000. He is connected with the Phoenix Mutual at Tulsa. In meeting problems of 1932, he believes that since men have seen their estates dwindle into insignificance, their interest in life insurance has been materially stimulated.

Seattle—Roger B. Hull, managing director National association, spoke to the Seattle association last week.

Salesmanship Expert Heard

A. F. Sheldon Gave Interesting Address Before the Syracuse, N. Y., Life Underwriters Association

A. F. Sheldon, head of the Sheldon School of Salesmanship, and a sales expert, was a speaker before the Syracuse, N. Y., Life Underwriters Association. Vice-president Gowey presided. Mr. Sheldon spoke on "What Is Human Engineering and What Is Its True Relationship to the Profession of Life Underwriting?" He defined human engineering as the science and art of the development, conservation, control and safe use of human energy.

Mr. Sheldon continued: "Just as truly as there are physical laws which cannot be changed there are ethical laws which will eventually become as powerful. The law of physical gravity is recognized today and the day will come when the law of gravity of good trade in response to the proper type of service will be as generally recognized. I like to speak of the commonly-called 'depression' as 'transition'."

Four Kinds of Human Energy

"There are four kinds of human energy: mental, of the head, called ability; spiritual, of the heart, called reliability; physical, of the body, called endurance; and volition, of the will, called action. Every man has these four types of energy but it is an individual responsibility to develop each. The first three compose man's potential power. The four together A.R.E.A. compose his actual area of power."

"Service equals Q. O. M.—Quality, Quantity and Mode of Conduct. A stenographer may do a lot of fine work but if she steals the company's stamps she is not fit for her job. This formula applies equally well to your profession. Is the quality of your sales presentation what it should be? Do you make enough calls? And do you attempt in all your activities to conduct yourself in the manner which will be of the most service to your community? The proper answers to these questions spell success for you."

Baltimore—President E. L. Anderson of the Baltimore association has appointed a committee to outline plans for further regulation of agents in Maryland. Commissioner Walsh told the association the department would cooperate with it in any initiative it might take. The committee is headed by Frederick Savage, Jr., New England Mutual.

Niagara Falls, Ont.—With an attendance of more than 100, the sales congress of life underwriters of the Niagara area was held here. Speakers included R. G. McCulish of Vancouver, president of the Life Underwriters Association of Canada; Eric V. Chown, field supervisor of the association; J. E. Bragg, director of the life insurance school of New York university, and W. J. Dunlop of the extension department of the University of Toronto.

Chicago—Elbert Storer, president National Association of Life Underwriters, and R. B. Hull, managing director will address the Chicago association at a

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noon meeting in the Hotel Sherman Feb. 26. Mr. Hull is to talk on "The Road Back to Security: The American Plan," and Mr. Storer on "Making Life Insurance Tangible." An unusually large attendance is expected by Walt Tower, managing director of the association, as a result of the opportunity to see and hear the two national leaders.

Mason City, Ia.—Col. C. B. Robbins, president of the Cedar Rapids Life, told the Mason City association that the Iowa farm is bound to return as a high type of security. He bases his contention on the farm's earning capacity and added that the United States, regardless of international conditions, will soon see prosperity because of its great wealth.

Philadelphia—The Philadelphia association observed New England com-

panies' night at its meeting this week, with virtually all of the New England companies represented by home office officials. The entire program was composed of New England company speakers, including P. M. Fraser, vice-president Connecticut Mutual, toastmaster; D. J. Bloxham, superintendent of agencies Travelers; J. M. Blake, field service manager Massachusetts Mutual; D. R. Mason, assistant superintendent of agencies Aetna Life.

San Francisco—Dr. C. J. Rockwell, insurance educator, is to be the principal speaker at a luncheon meeting of the San Francisco association Feb. 26.

Boston—H. G. Kenagy, assistant manager of the sales research bureau, addressed the Boston association this week on "Psychology in Salesmanship."

No Need for So Many Failures in Life Insurance, Benson Says; Take on Only Men That Can Make Good

Judd C. Benson, Kansas City, Mo., general agent for the Union Central Life, is an agency organizer with an idea. The idea is that there is no necessity for life insurance to produce the enormous number of failures per year that it does.

Since he became general agent there July 1, 1930, Mr. Benson has developed seven producers who were responsible for over 70 percent of the agency's production in 1931, which was 22 percent greater than in 1930. These seven agents are the only ones Mr. Benson has hired, so that there have been no casualties in the agency.

Failure Is a Tragedy

"More managers," Mr. Benson points out, "kid themselves on prospects that look good than any one other thing in the insurance business. The prospective agent may meet every qualification but one, and yet if he fails to meet that, nine times out of ten he fails. And it is a tragedy for young men—it is a tragedy for any man—to fail."

In Mr. Benson's first five years in the business as a personal producer he paid for between \$400,000 and \$450,000 a year. He became assistant manager for the Union Central at Wichita in 1929 and spent a year and a half developing new men. From a group of five, two paid for \$150,000 each their first year. One part-time man, who was persuaded to do full-time work, paid for \$200,000 his first six months, over \$500,000 his next year, and \$609,000 in 1931.

Must Meet Three Tests

Before Mr. Benson ever considers a prospective agent, the man must prove to him that he has finances for at least a year and more than a superficial acquaintance with people in the community in which he is going to work. Knowledge of the business is the other of three essentials he considers absolutely necessary before business can be written successfully.

Three out of four men the average general agent selects, Mr. Benson has found, will make life insurance agents if they have finances for one year and a knowledge of people. Without finances success is impossible, or so nearly so the rule still is general and binding. A man's knowledge of and acquaintance with people determines how quickly he can succeed after he has learned the business.

Failures in the insurance business are enormous because the average general agent or manager disregards these essentials and hires 20 men, when he knows beforehand only three or four will succeed. It is an injustice that the other 16 should be made failures.

The Union Central finances no one, which makes the problem of hiring and handling new men one of vital importance. It becomes necessary to search long enough to find the right man. Be-

cause Mr. Benson is so particular and hires so few, old salesmen and personal contacts give him most of the agency's new men. Under normal conditions these sources will supply enough of the right kind of men to cause the agency to grow naturally.

Having secured the man, one of the first steps is to teach him enough about the business so that he will not misrepresent.

"We start the man out on the 'Essentials of Life Underwriting,' which equips him to meet any situation," Mr. Benson said. "It provides a fundamental background at the very outset of the man's efforts in life insurance which is essential to the working of the particular method. With this as a foundation, the man will develop steadily."

New men are given three-fourths of Mr. Benson's time for the first year. He works with them on the street, and instructs them.

Helps Men Organize Time

One of the worst stumbling blocks in the development of men is their inability to organize their time.

"We have worked out a program for the new man which involves finding, developing and closing prospects. Of ten calls a day, five should be spent seeking new prospects, three developing prospects and two closing prospects. If this balance is maintained, the agent will never find himself without prospects."

"Seeing three men whom he has never seen before creates an endless supply of prospects for the agent, gets him used to a balanced diet of iron and provides an effective antidote to one of his greatest fears: 'To whom can I sell next week, next month?'"

"Allowing a new agent to wander about the streets, wondering where he is going and what he is going to do, is much like kicking him out of the business before he's been tried out. We maintain enough of a check on a new man to know where he is going and what he is doing 90 percent of the time. We require a daily report of his activities, which helps us in this respect, and we work with him long enough to get him into the habit of going directly to his prospects and talking to them."

More Pressure Needed in 1931

"It was, of course, much more difficult in 1931 to keep a man in the right frame of mind than previously. To overcome this we devoted more time to keeping him busy, for the busy man rarely gets the blues. Keeping production up and the agency force intact and growing merely meant the application of a little more pressure to the system."

"Many times men have failed because they have refused the advice of experienced management. One man, for instance, had finances for a year. But he

STATE MUTUAL LIFE ASSURANCE COMPANY

OF

WORCESTER, MASSACHUSETTS

For 1932

E in your business
C in your company
N in your agency
D in your ability
I in your opportunity
F in your future
C in your self

INCORPORATED—1844

EIGHTY-EIGHT YEARS OF SERVICE
To Policyholders and Their Beneficiaries

United Mutual Backs Its General Agents and Field Men with Powerful National Magazine Advertising

APPLICATIONS of capable General Agents—and Field Men in all states—will be considered by the United Mutual Life Insurance Company.

United Mutual is now advertising its modern insurance plans through commanding space in outstanding national magazines. This broad campaign already is proving of inestimable value to our men. It helps to make a United Mutual connection one of the most attractive in the field.

United Mutual Life In-

urance Company, chartered under Special Act of the United States Congress, has insurance in force amounting to more than \$100,000,000. Assets are more than \$26,000,000 and more than \$69,000,000 has been paid to beneficiaries named in its policies. United Mutual has always paid good dividends.

We will arrange personal interviews with qualified applicants. Give complete information as to your record and ability, in your first letter. All correspondence will be held in strictest confidence.



United Mutual Life Insurance Company

Harry Wade, President

941 North Meridian St.

Indianapolis, Indiana

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Send 10 cents today and get a sample of the NEW 1933 National Underwriter Insurance Calendar, A-1946 Insurance Exchange, Chicago.

wanted to, and did, against our advice, go to a town where he wasn't known. He was ignorant of the business and knew no prospects. He failed. A year later a man with much less money wanted to try the business in the same town. We spent less time and effort on him than on the other man, but he knew people. He paid for \$225,000 his first year and over \$500,000 during his second one.

"If a man learns the business thoroughly and will work intelligently, he will measure his own stature in life

insurance after the first two or three years. And he will make approximately the same amount of money as those people do with whom he habitually associates. This last rule is almost infallible. The old man who needs winding up every few days is a poor life insurance man.

"We plan to hire three men in 1932—if we can get the right kind. We have one of them already. Contrary to general belief, it is as hard today to find good men, possibly harder, than it was in 1928."

LIFE COMPANY CONVENTIONS

Country Life's Convention

Company Is Closely Affiliated with the Illinois Agricultural Association and Farm Bureaus

The Country Life of Chicago held its agency meeting at Bloomington, Ill., this week with H. O. Henry of Effingham, Ill., president of the general agents' club presiding. L. A. Williams, general manager, urged greater efficiency in selling, more efficacious preparation and higher standards of salesmanship. The Country Life gets practically all its business in the rural areas. It is affiliated with the Illinois Agricultural Association and cooperates with the county farm bureaus. Associated with it is the Illinois Agricultural Mutual which writes full cover automobile insurance. Therefore, being so closely hitched up with the organized farm activities it has a big influence with the farmers. In fact, the holding company which owns its stock is controlled by the Illinois Agricultural Association. Mr. Williams is a dynamo of energy and is a farm leader.

The company last year wrote \$13,000,000 of new business and has \$44,000,000 in force. It gained \$8,500,000. Its mortality is running about 31 percent. Some 22 percent of its business is on the non-medical plan, as its policies are small and written largely for farmers. When the Country Life was started a survey was made and it showed that 40 percent of the farmers in Illinois did not carry any life insurance. The Country Life has \$6,000,000 juvenile life insurance in force and on this there is a mortality of 11 percent.

At the Bloomington meeting three field men were present and spoke: Dave Mieher, G. R. Williams and M. E. Rob-

erts. C. C. Ramler, service manager at the head office, was one of the speakers.

At the first session E. A. Carncross, general agent at Arlington Heights, told some of the advantages of partnership insurance. He is the leading personal producer, his record having been \$686,000 last year. The Country Life appoints a general agent for a county and he operates both the Country Life and the Illinois Agricultural Mutual.

Prof. Fred Russell of the School of Commerce, University of Illinois, gave a talk on salesmanship, pointing out some of the practical phases of it as applied to life insurance. Dr. J. E. Boland, medical director, gave some of the rules of the company along medical lines. W. E. Hedgecock, Bloomington general agent, gave a talk. V. Vaniman of Chicago, the insurance director of the Illinois Agricultural Association, was on the program twice. Glenn Chenoweth, general agent at Macomb, spoke of the main features of the endowment policy at age 65.

Mr. Williams presided at the banquet, the three set speakers being Donald Kirkpatrick, legal counsel of the Illinois Agricultural Mutual, A. E. Richardson, its manager, and C. M. Cartwright, THE NATIONAL UNDERWRITER. Mr. Richardson urged the making up of a budget or program for the year, signing the objectives and then devising means to attain them. Mr. Williams stated that 26 percent of the claims paid last year by the Country Life were due to automobile accidents. Mr. Williams in his talk said that the key to the Country Life plan of selling is a spirit of cooperation and its power.

Mr. Kirkpatrick said the invested assets of the Country Life of \$1,200,000 showed a market depreciation as of Jan. 31 of only \$103,000, or less than 9 percent. The company has \$300,000 earned and unearned surplus. He stressed the

practical impossibility of the Country Life being sold, citing the provision that no sale could be made while any of the founders policies, numbered from 1 to 8,000, remained in force. He estimated this provision alone would prevent sale for 56 years.

Trip on Great Liner

Accommodations have been secured by the Continental Assurance of Chicago on a new 28,000-ton, turbo-electric drive Furness liner, the "Monarch of Bermuda," for the Bermuda trip of the President's Club to be held near the first of October. The club will meet for a three-day convention in Chicago prior to the trip. The General Agents & Managers Association also will hold its meeting. Special cars will be chartered for the trip to New York, where the agents will go on board the liner, and in all the trip is expected to take eight days.

\$1,000 to \$1,600
Ordinary Life Insurance at An
Average Cost GUARANTEED
OF ONLY \$14.00 per \$1,000

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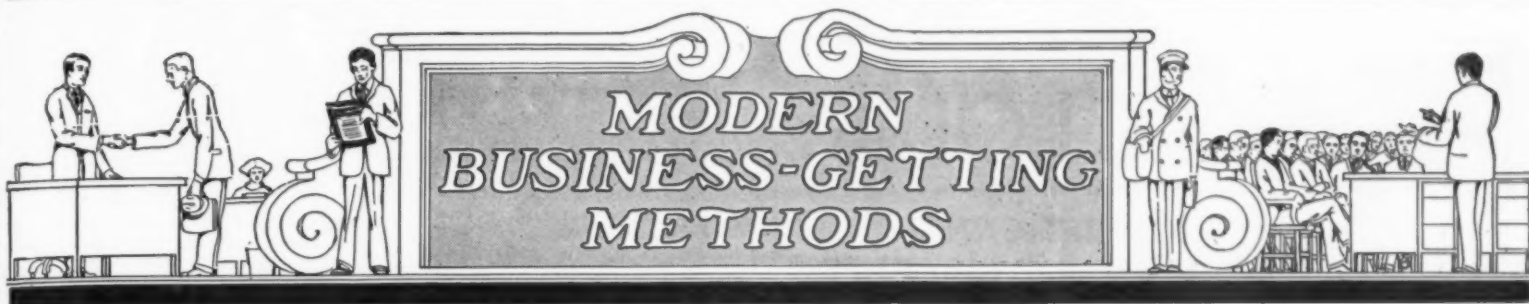
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Caleb Smith Adopts Plan, Works at It Regularly and His Production Goes Up to Over a Million a Year

By planning his work and working his plan, Caleb R. Smith, Ann Arbor, Mich., has doubled his production during the past ten years and has written more than a million a year since 1925 for the John W. Yates general agency of the Massachusetts Mutual. He outlined his plan at the meeting of the Life Underwriters Association of Detroit last week.

"Prior to Jan. 1, 1920, I worked on a hit or miss plan, or rather lack of plan," said Mr. Smith. "I got my prospects wherever I happened to find them. I worked what hours pleased me best and quit working when I felt like it. If I wanted to take a day or two off, I took them. I made a pretty fair living, but I was by no means satisfied."

Decides to Budget Time Like Money

"In 1920 I made up my mind that the only way to succeed is to lay out a program for the future, to budget my time as I budget my expenditures—and stick to it. I made up my mind that I would write \$3,000,000 in five years. That meant \$600,000 a year, \$50,000 a month, \$12,000 a week and \$2,000 a day."

"I figured that in order to make my goal I would have to make ten calls a day and get four interviews. That meant a six-hour working day in the field. I planned to work eight hours daily six days a week, and to devote the first hour in the morning to studying my company, my policies and my business. The next six hours I planned to do my soliciting and the last hour in the afternoon would be given over to planning for the next day's work."

Follows His Schedule of Work Religiously

"I followed this schedule religiously, working a full six days each week. I made my ten calls every day and managed to average my four interviews. The first year, 1920, I wrote \$521,000 on 150 lives. The second year I went over my quota by a good margin and continued to improve until the end of the fourth year I had topped \$900,000. The plan had worked so well that I decided to revise it—to write a million a year for the next five years."

"I wrote my first million the next year and every year since have topped a million. The total for 1927 was \$1,400,000; for 1928, \$1,200,000. In February, 1929, my wife and I saw a European travelog that fired us with a desire to see Europe. It looked as though we would have to give up the idea in order to keep up the production quota, but we decided that if I could make my quota by the end of the sixth month we would go. I did, and we spent three months traveling. I turned in the largest volume of my career that year, \$1,500,000, despite the fact that I did not work for three months. I did it because I had an extra objective to strive for."

"As I see it, the first principle of life underwriting is the conservation of

time. Time is money. It is the greatest asset we have. In order to make proper use of it it is absolutely necessary to plan its expenditure carefully. Set up an objective years ahead, divide your quota into years, months, weeks, days and hours. Do your day-to-day planning the night before. Never start out without knowing just where you are going. And above all, allow nothing to interfere with carrying out your plan."

"Second in importance after the plan, is work. Someone has said that the three secrets of success are work, work and w-o-r-k. No plan is worth the paper it is written on if it is not carried out. To my way of thinking the study and the planning periods of the day are equally important with the productive hours."

Know All Details of Insurance Business

"You should know all the details of your business, your company's record, its financial set-up, its home office executives, its policies and its program. Read everything you can get hold of on the science of life underwriting. Select the ideas that fit in with your plan—and make them work for you."

"Make life insurance your sole business. Few men can divide their time between two or more businesses and do justice to all. Leave accident and health, fire and automobile and the other insurance forms to agents specializing in them. Don't go at a feverish pace,

but work steadily and regularly. Don't rush. Earnestly strive to write more applications. Prospect intelligently. There are many sources of prospects, but I have found that your old policyholders are the best source. Fully 85 percent of my policyholders, old and new, supply me with at least one name of a new prospect each year. Don't neglect to send out birthday cards; don't overlook the opportunities presented by the rate change period."

Get Cash Settlement With Every Application

"Get a settlement with every application. Only four of the more than 1,700 applications I have written in the past 12 years have not been prepaid. When I sell a prospect, I say to him: 'Now if you will give me your check I will give you this binding receipt and your policy will be in force immediately after your examination.' When you have cash in hand there is little danger of some other underwriter unsettling your business, or of your applicant changing his mind."

"Know whom you solicit. Why waste \$500 worth of time on someone about whom you know nothing? Find out all you can about your prospects before you see them. I do that and every interview with a prospect I have had since 1927 has been worth \$29 to me. Keep your prospects lined up so that you are closing one or more every week."

"When I make an appointment with a prospect, I let him know that my time is valuable, and he pays more attention to what I have to say. I am too busy to see him any time. I say, 'I will be glad to see you at 2 o'clock on Wednesday or at 4 on Friday. Which is the more convenient for you?' This creates exactly the impression I want to leave with him."

"Canned Sales Talk" Had Franklin's O. K., It Seems

T. M. Rodlun, advertising manager for the Acacia Mutual Life, has paraphrased comment of Benjamin Franklin on itinerant preachers to apply to salesmen and sales talks.

Here is the paraphrase:

"I had an opportunity to make some calls with a good salesman recently. As I listened to him talk, I came to distinguish easily between the sales talks he composed on the spur of the moment, and those which he had often delivered in the course of his selling."

"His way of speaking the sales talks was so improved by frequent repetition that every accent, every emphasis, every modulation of voice, was so perfectly well turned and well placed, that without being interested in the subject, one could not help but be pleased with what was said."

Advantage of Salesmen

"This is an advantage salesmen have over men in other lines of business, because a salesman can rehearse substantially the same sales talk again and again, and can improve upon his deliveries, whereas men in other lines do not have this opportunity."

Here is the original:

"By hearing him often, I came to distinguish easily between sermons newly composed and those which he had often preached in the course of his travels. His delivery of the latter was so improved by frequent repetition that every accent, every emphasis, every modulation of voice, was so perfectly well turned and well placed, that without being interested in the subject one could not help being pleased with the discourse; a pleasure of much the same kind as that received from an excellent piece of music. This is an advantage itinerant preachers have over those who are stationary, as the latter cannot well improve their delivery of a sermon by so many rehearsals."

Get Some Loan Repayments by Stressing Safety Angle

Some agents are meeting with success in getting policyholders to repay loans on the ground that their money is much safer at company headquarters than in many banks. The point is made that a man can repay his loan and thus free his insurance and at the same time his money is in a safe repository and is working. This is particularly true in localities where there have been many bank troubles. Great emphasis is placed on safety. When a policyholder is convinced that the best place to put his money is in a life company, he frequently will agree to pay back his loan. Furthermore the great demand for annuity and investment forms of policies indicates that people are appreciating the security back of life insurance and are endeavoring to play safe.

production among all Great-West agents and last year took the lead.

While he writes quite a number of good sized policies, his average is around \$5,000.

Why Finberg Led Great-West

ST. PAUL, Feb. 18.—Anthony Finberg, St. Paul district manager for the Great-West Life of Canada, who led all Great-West agents, both in Canada and this country, in personal production last year, says that writing business in a depression year "is largely a question of going after the business in the right spirit and right frame of mind. Too many life insurance agents have allowed their heads and their hearts to become poisoned by this constant talk of hard times."

Plenty of People Making Money

"There are plenty of people making money today. Especially the fellows in small business. The other day I called on a butcher who told me he made \$20,000 last year. There are plenty like that, not making so much, perhaps, but enough to make good life insurance prospects. The problem for the agent is to find out who these people are and then go after them in the right way."

"In making my calls last year I discussed with my prospects the advantage of putting money into life insurance as compared to stocks. Many of them had lost money in the market and were easy to reason with. I pointed out that life insurance was something that did not fluctuate in value like stocks."

"Then, sometimes when a prospect

hesitated or frankly declined to take out a policy, I would mention to him the aging men he could find on almost any street, penniless and discouraged. Many of them, no doubt, had once been prosperous but had met reverses and lost everything. How much a little life insurance would mean to those old fellows!"

Mr. Finberg says it has always been his policy to put the welfare of his clients ahead of his own personal profit. Too many agents, he thinks, are more intent on selling a policy and getting their commission than in looking after the interest of the client.

Service to Clients Helps

"I have in mind one man," he said, "who has been dealing with me for some time. At first he watched me very keenly, then when satisfied that I was looking after his interests as well as my own, he told me that I would always get whatever life insurance business he or his family had to place."

Mr. Finberg has been writing life insurance for 25 years. It has been a long, patient climb for him to reach the top. He started with the Prudential, went with the Great-West 10 years ago and for several years has been its St. Paul manager. In 1930 he stood second in



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Fruitful Future Stretches Ahead

(CONTINUED FROM PAGE 7)

serve life insurance? Our assets during the two years 1930 and 1931 have increased more than \$2,500,000,000, an amount almost equal to the total accumulation of the first 60 years. Our insurance in force is estimated to have increased by over \$5,000,000,000, and this in the face of the abnormally high lapse ratio which must necessarily accompany conditions of this kind.

"Our new business has suffered less proportionately than that of any other great enterprise in America. There has been no cry of unemployment in our ranks, and for the most part we have been able to stem reduction of our incomes through greater and more intelligent effort.

Has En enviable Record

"No legal reserve life insurance company has defaulted on an obligation. So far as I am informed, not a single company has seen fit to invoke the 60-day notice for loans, which a few of the companies incorporate in their policies as an extra precaution. In short, not a penny has been lost to an American policyholder in a legal reserve life company.

"Only a few weeks ago the presidents of two great life insurance companies testified before the United States senate as to the sound conditions; not of their own companies alone, but of life companies as a whole. I have recently read the proceeding of the 25th annual convention of the Association of Life Insurance Presidents, and no one could read this report without discerning that these great leaders face the future with supreme confidence.

Emerging from Situation

"Therefore, it seems safe to predict that we will emerge unscathed from this, our third baptism of fire. And again history will repeat itself and we shall enjoy still another period of prosperity and public confidence, greater even than any we have known in the past.

"But why? Because we shall have proven the only institution for thrift and savings which shall have weathered the storm without loss to investor.

Cites Hoover's Advice

Mr. Whatley hailed as significant President Hoover's statement to life insurance men in September, 1919, that they should "sell more life insurance and less death insurance," that it was

just as important to insure against living too long as against dying too soon. "Of course we all see this now," Mr. Whatley said. "In the past two years we have seen life insurance reserves save men's investments from complete ruin. We have seen these reserves feed families where there has been no employment.

"Dr. S. S. Huebner recently called our attention to the fact that life insurance is to protect against economic death as well as actual death. Too long we have backed up the hearse in front of our prospect's door and have carted him off to the cemetery. A gruesome and unpleasant picture, and one which we had learned to paint so vividly that we found him avoiding us because he didn't want to listen to it. Can you blame him?

Much Pleasant Prospect

"How much more pleasant to visualize him living to enjoy the fruits of his thrift in the autumn of life. Why not show him that based on actual proven experience—if we take a group of 100 men at age 35, more than half that number will be alive and able to enjoy their savings at the age of 65? Why put him in the minority and kill him off?

"Picture life insurance as the only 'self-completing' savings plan which has yet been successfully proven."

Banker Advocates National Life Insurance Trust Fund

NEW YORK, Feb. 18.—Formation of a national fund for life insurance trusts, in order that wide diversification and stability of investments could be obtained, was advocated by J. W. White, trust officer of the Mercantile-Commerce Bank & Trust Co. of St. Louis, at the trust conference of the American Bankers Association. He stated that life insurance with an aggregate face value of \$4,000,000,000 had been placed in trust in the past ten years. He further recommended that such national fund be administered by a representative of each of the 12 federal reserve districts, who would be selected by banks or trust companies within the separate jurisdictions.

Cooperation between the life underwriters and the trust companies was discussed by C. E. Hooper of the Newark office of the Massachusetts Mutual Life and L. G. McDouall, of the Federal Union Trust Co., also of Newark. Both agreed that neither interest is taking full advantage of the opportunities offered for cooperation and urged that this be done in future.

1907-1932
25TH ANNIVERSARY



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OF ILLINOIS